



MultiCare Health System

820 A Street, Tacoma, WA 98402

PO Box 5299, Tacoma, WA 98415-0299 ~ multicare.org

August 12, 2022

Eric Hernandez, Manager  
Washington State Department of Health  
Certificate of Need Program  
111 Israel Rd. S.E.  
Tumwater, WA 98501

8/12/2022 Received

Re: MultiCare Health System Certificate of Need Application to add 160 Acute Care Beds to MultiCare Good Samaritan Hospital in Pierce County

Dear Mr. Hernandez:

On behalf of MultiCare Health System ("MultiCare") and MultiCare Good Samaritan Hospital ("Good Samaritan"), I am pleased to submit this certificate of need application request to add 160 acute care beds at MultiCare Good Samaritan Hospital.

Good Samaritan has been serving the residents of East Pierce County since 1952 and is the premiere provider for acute care service in East Pierce County. Additional inpatient capacity is needed to maintain the quality of care and service levels expected by our community, given recent and expected future population growth in the planning area and surrounding communities. Good Samaritan continues to operate at very high inpatient occupancy percentage, and it has the largest emergency department (including off-campus ED's) in the State of Washington.

Without approval of the proposed project, access to acute care services will be constrained for East Pierce residents, who would be forced to seek care at out-of-area providers. Furthermore, in 2021, 6,567 persons with Washington residence outside of the East Pierce were discharged from Good Samaritan. Without the proposed project, many of these individuals would instead be forced to seek care elsewhere, thereby creating a downstream impact on other hospitals in other planning areas, likely negatively harming patient access.

Thank you in advance for your review of our application. Please submit any notices, correspondence, communications and documents to:

Erin Kobberstad, Vice President  
Strategic Planning  
MultiCare Health System  
253-403-8771  
[ekobberstad@multicare.org](mailto:ekobberstad@multicare.org)

Frank Fox, PhD  
HealthTrends  
206-366-1550  
[frankfox@comcast.net](mailto:frankfox@comcast.net)

Sincerely,

K. Erin Kobberstad  
Vice President, Strategic Planning  
MultiCare Health System



## Certificate of Need Application Hospital Projects

Exclude hospital projects for sale, purchase, or lease of a hospital, or skilled nursing beds. Use service-specific addendum, if applicable.

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990.

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW) 70.38 and WAC 246-310, rules and regulations adopted by the Washington State Department of Health. I attest that the statements made in this application are correct to the best of my knowledge and belief.

<p><b>Signature and Title of Responsible Officer</b> K. Erin Kobberstad Vice President, Strategic Planning </p> <hr/> <p><b>Email Address:</b> ekobberstad@multicare.org</p>	<p><b>Date:</b> August 12, 2022</p> <hr/> <p><b>Phone Number:</b> 253-403-8771</p>
<p><b>Legal Name of Applicant:</b> MultiCare Health System</p> <hr/> <p><b>Address of Applicant</b> MultiCare Health System 820 A Street Tacoma, WA 98402</p>	<p><input type="checkbox"/> New Hospital <input checked="" type="checkbox"/> Expansion of existing hospital (identify facility name and license number) MultiCare Good Samaritan Hospital License #: HAC.FS.60221541</p> <p><b>Provide a brief description, including the number of beds and the location:</b> MultiCare Good Samaritan requests approval to add 160 acute care beds to its current licensed 375-bed facility, located in Puyallup WA.</p> <p><b>Estimated capital expenditure:</b> \$404 million</p>

<p><b>Identify the Hospital Planning Area:</b> Pierce East, Washington</p> <hr/>										
<p><b>Identify if this project proposes the addition or expansion of one of the following services:</b></p> <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> NICU Level II</td> <td><input type="checkbox"/> NICU Level III</td> <td><input type="checkbox"/> NICU Level IV</td> <td><input type="checkbox"/> Specialized Pediatric (PICU)</td> <td><input type="checkbox"/> Psychiatric (within acute care hospital)</td> </tr> <tr> <td><input type="checkbox"/> Organ Transplant (identify)</td> <td><input type="checkbox"/> Open Heart Surgery</td> <td><input type="checkbox"/> Elective PCI</td> <td><input type="checkbox"/> PPS-Exempt Rehab (Level I)</td> <td><input type="checkbox"/> Specialty Burn Services</td> </tr> </table>	<input type="checkbox"/> NICU Level II	<input type="checkbox"/> NICU Level III	<input type="checkbox"/> NICU Level IV	<input type="checkbox"/> Specialized Pediatric (PICU)	<input type="checkbox"/> Psychiatric (within acute care hospital)	<input type="checkbox"/> Organ Transplant (identify)	<input type="checkbox"/> Open Heart Surgery	<input type="checkbox"/> Elective PCI	<input type="checkbox"/> PPS-Exempt Rehab (Level I)	<input type="checkbox"/> Specialty Burn Services
<input type="checkbox"/> NICU Level II	<input type="checkbox"/> NICU Level III	<input type="checkbox"/> NICU Level IV	<input type="checkbox"/> Specialized Pediatric (PICU)	<input type="checkbox"/> Psychiatric (within acute care hospital)						
<input type="checkbox"/> Organ Transplant (identify)	<input type="checkbox"/> Open Heart Surgery	<input type="checkbox"/> Elective PCI	<input type="checkbox"/> PPS-Exempt Rehab (Level I)	<input type="checkbox"/> Specialty Burn Services						



## Application Instructions

The Certificate of Need Program will use the information in your application to determine if your project meets the applicable review criteria. These criteria are included in state law and rules. Revised Code of Washington (RCW) 70.38 and Washington Administrative Code (WAC) 246-310.

### General Instructions:

- Include a table of contents for application sections and appendices/exhibits
- Number **all** pages consecutively
- Make the narrative information complete and to the point.
- Cite all data sources.
- Provide copies of articles, studies, etc. cited in the application.
- Place extensive supporting data in an appendix.
- Provide a detailed listing of the assumptions you used for all of your utilization and financial projections, as well as the bases for these assumptions.
- Under no circumstance should your application contain any patient identifying information.
- Use non-inflated dollars for all cost projections
- **Do not** include a general inflation rate for these dollar amounts.
- **Do** include current contract cost increases such as union contract staff salary increases. You must identify each contractual increase in the description of assumptions included in the application.
- **Do not** include a capital expenditure contingency.
  
- If any of the documents provided in the application are in draft form, a draft is only acceptable if it includes the following elements:
  - a. identifies all entities associated with the agreement,
  - b. outlines all roles and responsibilities of all entities,
  - c. identifies all costs associated with the agreement,
  - d. includes all exhibits that are referenced in the agreement, and
  - e. any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.

Do not skip any questions in this application. If you believe a question is not applicable to your project, explain why it is not applicable.

**MultiCare Good Samaritan**

**Certificate of Need Application Proposal to Expand  
Acute Care Bed Capacity**

**August 2022**

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Exhibit #	Exhibit Name
1	MultiCare Health System Organizational Chart
2	Letter of Intent
3	Single-Line Drawings
4	East Pierce Numeric Need Methodology
5	Patient Origin Data
6	MultiCare Health System Policies
7	Financial Pro Forma
8	Good Samaritan Hospital Deed
9	Property Summary and Zoning Map
10	Letter of Financial Commitment
11	Contractor's Letter
12	Equipment List
13	MultiCare Health System Audited Financial Statements, 2020 to 2021

## **Introductory Statement and Summary**

MultiCare Good Samaritan (“Good Samaritan”) is a 375-bed Acute Care hospital located in East Pierce County. The 375 beds at Good Samaritan are allocated across the areas of Acute Care (316 beds), Level I Rehabilitation (48 beds), and Level II NICU (11 beds).

East Pierce County is a large and growing healthcare market and estimates of resident need indicate the planning area will require an additional 140 acute care beds by 2028, and 250 beds by 2036. Since 2019, Good Samaritan’s Acute Care occupancy has operated above the Washington Department of Health targeted midnight occupancy, which has led to this request for approval to construct a new 242,660 square foot patient care tower and the addition of 160 acute care beds. Following project completion and the addition of 160 acute care beds, Good Samaritan will contain a total of 535 licensed beds (316+160+48+11 = 535).

MultiCare Health System (“MultiCare”) owns and operates Good Samaritan. MultiCare is a locally-governed, not-for-profit, integrated health system that also owns and operates Tacoma General Hospital, Allenmore Hospital, Capital Medical Center, Mary Bridge Children’s Hospital, Auburn Medical Center, Covington Medical Center, Deaconess Hospital, Valley Hospital, and the area’s largest network of primary care, specialty clinics, and behavioral health services.

Good Samaritan is the premiere provider for acute care service in East Pierce County. Additional inpatient bed capacity is needed to maintain the quality of care and service levels expected by our community, given recent and expected future population growth in the planning area and surrounding communities. Good Samaritan continues to operate at very high inpatient occupancy percentage, and it has the largest emergency department (including off-campus EDs) in the State of Washington. Without approval of the proposed project, access to acute care services will be constrained for East Pierce residents, who would be forced to seek care at out-of-area providers. Furthermore, in 2021, 6,567 persons with Washington residence outside of the East Pierce Planning Area were discharged from Good Samaritan. Without the proposed project, many of these individuals would instead be forced to seek care elsewhere, thereby creating a downstream impact on other hospitals in other planning areas, likely negatively harming patient access.

MultiCare is the provider of choice for residents in the East Pierce Community - anchored by Good Samaritan and supported by its comprehensive ambulatory network. While it is a challenging time to invest in major expansion projects, urgency is important because of the duration of construction projects. Thus, if MultiCare does not act now, planning area residents will face significant barriers to accessing necessary care, given Good Samaritan is already above capacity, as defined by the Department. With the proposed project, MultiCare can continue to meet the needs of the East Pierce community by providing appropriate access to high-quality acute care services.

## **I. Applicant Description**

- 1. Provide the legal name and address of the applicant(s) as defined in WAC 246-310-010(6).**

MultiCare Health System (“MultiCare”)  
820 A Street  
Tacoma, WA 98402

- 2. Identify the legal structure of the applicant (LLC, PLLC, etc.) and provide the unified business identifier (UBI).**

MultiCare is a nonprofit corporation. The UBI Number of MultiCare is 601-100-682.

- 3. Provide the name, title, address, telephone number, and email address of the contact person for this application.**

K. Erin Kobberstad  
Vice President, Strategic Planning  
253-403-8771  
MultiCare Health System  
820 A Street  
Tacoma, WA 98402  
ekobberstad@multicare.org

- 4. Provide the name, title, address, telephone number, and email address of the consultant authorized to speak on your behalf related to the screening of this application (if any).**

Frank Fox, PhD  
Consultant  
511 NW 162<sup>nd</sup>  
Shoreline, WA 98177  
206-366-1550  
frankgfox@comcast.net

- 5. Provide an organizational chart that clearly identifies the business structure of the applicant(s).**

See Exhibit 1 for an organization chart of MultiCare. Good Samaritan is a “Doing Business As” (d/b/a) of MultiCare.



## II. Facility Description

### 1. Provide the name and address of the existing facility

The current address of Good Samaritan is:  
407 14<sup>th</sup> Ave, SE  
Puyallup, WA 98372

### 2. Provide the name and address of the proposed facility. If an address is not yet assigned, provide the county parcel number and the approximate timeline for assignment of the address.

This question is not applicable.

### 3. Confirm that the facility will be licensed and certified by Medicare and Medicaid. If this application proposes the expansion of an existing facility, provide the existing identification numbers.

Confirmed. Good Samaritan will continue to be licensed and certified by Medicare and Medicaid upon project completion.

#### MultiCare Good Samaritan

- License #: HAC.FS.60221541
- Medicare: 500079
- Medicaid: 3308707

### 4. Identify the accreditation status of the facility before and after the project.

Good Samaritan is accredited by the Joint Commission and will continue to be given approval of the proposed project.

### 5. Is the facility operated under a management agreement?

Yes

No

If yes, provide a copy of the management agreement.

This facility is not operated under a management agreement.

### 6. Provide the following scope of service information:

Service	Currently Offered?	Offered Following Completion?
Alcohol and Chemical Dependency	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Anesthesia and Recovery	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cardiac Care	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cardiac Care – Adult Open-Heart Surgery	<input type="checkbox"/>	<input type="checkbox"/>
Cardiac Care – Pediatric Open-Heart Surgery	<input type="checkbox"/>	<input type="checkbox"/>
Cardiac Care – Adult Elective PCI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cardiac Care – Pediatric Elective PCI	<input type="checkbox"/>	<input type="checkbox"/>
Diagnostic Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Dialysis – Inpatient	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Emergency Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Food and Nutrition	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Imaging/Radiology	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Infant Care/Nursery	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Intensive/Critical Care	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Laboratory	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Medical Unit(s)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Neonatal – Level II	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Neonatal – Level III	<input type="checkbox"/>	<input type="checkbox"/>
Neonatal – Level IV	<input type="checkbox"/>	<input type="checkbox"/>
Obstetrics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Oncology	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Organ Transplant - Adult (list types, if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
Organ Transplant - Pediatric (list types, if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pediatrics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pharmaceutical	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Psychiatric	<input type="checkbox"/>	<input type="checkbox"/>
Skilled Nursing/Long Term Care	<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitation (Level I)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Respiratory Care	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Surgical Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

### III. Project Description

1. Provide a detailed description of the proposed project. If it is a phased project, describe each phase separately. For existing facilities, this should include a discussion of existing services and how these would or would not change as a result of the project.

The proposed project is the construction of a 242,660 square foot patient care tower and the addition of 160 acute care beds at Good Samaritan. This patient care tower will include four floors of 40 beds each, plus a fifth floor of shell and core which can accommodate an additional 40 beds and will be completed at a to-be-determined future date.<sup>1</sup>

2. If your project involves the addition or expansion of a tertiary service, confirm you included the applicable addendum for that service. Tertiary services are outlined under WAC 246-310-020(1)(d)(i).

This question is not applicable.

3. Provide a breakdown of the beds, by type, before and after the project. If the project will be phased, include columns detailing each phase.

	Current	Proposed
General Acute Care	316	476
PPS Exempt Psych		
PPS Exempt Level I Rehab	48	48
NICU Level II	11	11
NICU Level III		
NICU Level IV		
Specialized Pediatric		
Skilled Nursing		
Swing Beds (included in General Acute Care)		
<b>Total</b>	<b>375</b>	<b>535</b>

4. Indicate if any of the beds listed above are not currently set-up, as well as the reason the beds are not set up.

Good Samaritan is licensed for 375 beds, 316 of which are Acute Care, 48 of which are Rehab, and 11 of which are Level II NICU. To help accommodate the large inpatient demand for acute care, Good Samaritan has temporarily reallocated 20

<sup>1</sup> The additional floor will be completed when necessitated by patient demand. At such point, Good Samaritan will request CN approval for an additional 40 beds.

Rehab beds for medical-surgical inpatients. This temporary reallocation is intended to continue until the buildout is complete.

Good Samaritan will thus plan to continue the use of the 20 reallocated Rehab beds for medical/surgical care inpatients, for a total number of 336 med/surg beds. The Rehab unit would continue to operate using 28 of the 48 Level I Rehab beds over the interim period. Those 20 reallocated Rehab beds will revert to rehabilitation use following completion of the proposed project.

- 5. With the understanding that the review of a Certificate of Need application typically takes six to nine months, provide an estimated timeline for project implementation, below. For phased projects, adjust the table to include each phase.**

<b>Event</b>	<b>Anticipated Month/Year</b>
Anticipated CN Approval	April 2023
Design Complete	June 2023
Construction Commenced	April 2024
Construction Completed	May 2026
Facility Prepared for Survey	July 2026
Facility Licensed - Project Complete WAC 246-310-010(47)	September 2026

- 6. Provide a general description of the types of patients to be served as a result of this project.**

The types of patients to be served through this project includes all persons in need of general, inpatient acute care services. This includes patients in need of intensive care, semi-intensive care, and medical-surgical services. The patient mix of Good Samaritan, in terms of types of cases and acuity, would not change from the current acute care inpatient mix following approval of the proposed project.

- 7. Provide a copy of the letter of intent that was already submitted according to WAC 246-310-080.**

Please see Exhibit 2 for a copy of the letter of intent.

- 8. Provide single-line drawings (approximately to scale) of the facility, both before and after project completion. For additions or changes to existing hospitals, only provide drawings of those floor(s) affected by this project.**

Please see Exhibit 3 for single-line drawings of the existing hospital and proposed project.

- 9. Provide the gross square footage of the hospital, with and without the project.**

Good Samaritan currently occupies 357,984 square feet. The new patient care tower, which will be constructed with approval of the proposed project, will include 242,660 square feet.

- 10. If this project involves construction of 12,000 square feet or more, or construction associated with parking for 40 or more vehicles, submit a copy of either an Environmental Impact Statement or a Declaration of Non-Significance from the appropriate governmental authority. [WAC 246-03-030(4)]**

MultiCare expects to receive a Declaration of Non-Significance from the City of Puyallup following approval of the proposed project. As such, MultiCare would accept this requirement as a CON condition for the proposed project.

- 11. If your project includes construction, indicate if you've consulted with Construction Review Services (CRS) and provide your CRS project number.**

**The Certificate of Need program highly recommends that applicants consult with the office of Construction Review Services (CRS) early in the planning process. CRS review is required prior to construction and licensure (WAC 246-320-500 through WAC 246-320-600). Consultation with CRS can help an applicant reliably predict the scope of work required for licensure and certification. Knowing the required construction standards can help the applicant to more accurately estimate the capital expenditure associated with a project. Note that WAC 246-320-505(2)(a) requires that hospital applicants request and attend a presubmission conference for any construction projects in excess of \$250,000.**

MultiCare plans to consult with CRS as designs progress beyond single-line drawings. We plan to provide more information on our discussions with CRS in the application screening period.

## IV. Certificate of Need Review Criteria

### A. Need (WAC 246-310-210)

WAC 246-310-210 provides general criteria for an applicant to demonstrate need for healthcare facilities or services. Documentation provided in this section must demonstrate that the proposed project will be needed, available, and accessible to the community it proposes to serve. Do not skip any questions. If you believe a question is not applicable to your project, explain why it is not applicable.

1. List all other acute care hospitals currently licensed under RCW 70.41 and operating in the hospital planning area affected by this project. If a new hospital is approved, but is not yet licensed, identify the facility.

Good Samaritan is the only acute care hospital currently licensed and operating in the East Pierce Planning Area.

2. For projects proposing to add acute care beds, provide a numeric need methodology that demonstrates need in this planning area. The numeric need methodology steps can be found in the Washington State Health Plan (sunset in 1989).

We summarize the Department's Numeric Need Methodology below, which we present fully in Exhibit 4.

*STEP 1: Compile state historical utilization data for at least ten years preceding the base year.*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>HSA #1</b>	1,277,161	1,298,941	1,338,974	1,406,160	1,431,915	1,475,093	1,505,709	1,510,476	1,453,208	1,565,368
<b>East Pierce</b>	93,380	96,077	94,064	97,261	101,613	107,426	108,446	116,634	107,114	124,000
<b>STATEWIDE TOTAL</b>	2,045,125	2,059,626	2,108,317	2,205,669	2,255,396	2,323,842	2,363,587	2,390,286	2,296,107	2,496,064

Source: CHARS 2012 to 2021

Notes: Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRGs 945 and 946 (Rehab) and All WA State Rehab Providers

*STEP 2: Subtract psychiatric patient days from each year's historical data*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>HSA #1</b>	2,911	3,104	9,823	16,266	15,139	16,250	16,704	17,969	10,952	9,428
<b>East Pierce</b>	89	188	880	1,160	1,176	1,135	1,154	1,075	569	645
<b>STATEWIDE TOTAL</b>	3,202	3,462	11,223	18,464	17,802	20,162	20,731	23,399	17,776	17,618

Source: CHARS 2012 to 2021

Notes: Reflects patient days in Psychiatric Hospitals. Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRG 945 and 946 (Rehab).

**Table 3: Historical Patient Days Less Psychiatric Patient Days by Planning Area, 2012 to 2021**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>HSA #1</b>	1,274,250	1,295,837	1,329,151	1,389,894	1,416,776	1,458,843	1,489,005	1,492,507	1,442,256	1,555,940
<b>East Pierce</b>	93,291	95,889	93,184	96,101	100,437	106,291	107,292	115,559	106,545	123,355
<b>STATEWIDE TOTAL</b>	2,041,923	2,056,164	2,097,094	2,187,205	2,237,594	2,303,680	2,342,856	2,366,887	2,278,331	2,478,446

Source: CHARS 2012 to 2021

Notes: Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRG 945 and 946 (Rehab) and days in Psychiatric Hospitals and All WA State Rehab Providers

*STEP 3: For each year, compute the planning area, statewide, and HSA average use rates*

**Table 4: Historical Use Rates by Planning Area, 2012 to 2021**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>HSA #1</b>	299.0	301.1	304.7	313.8	313.2	316.3	317.6	313.0	298.3	317.4
<b>East Pierce</b>	324.8	328.5	314.2	318.8	327.8	341.3	338.8	358.9	325.3	370.3
<b>STATEWIDE TOTAL</b>	299.1	298.2	300.2	308.7	310.2	313.7	313.8	311.8	295.6	319.1

Source: CHARS 2012 to 2021

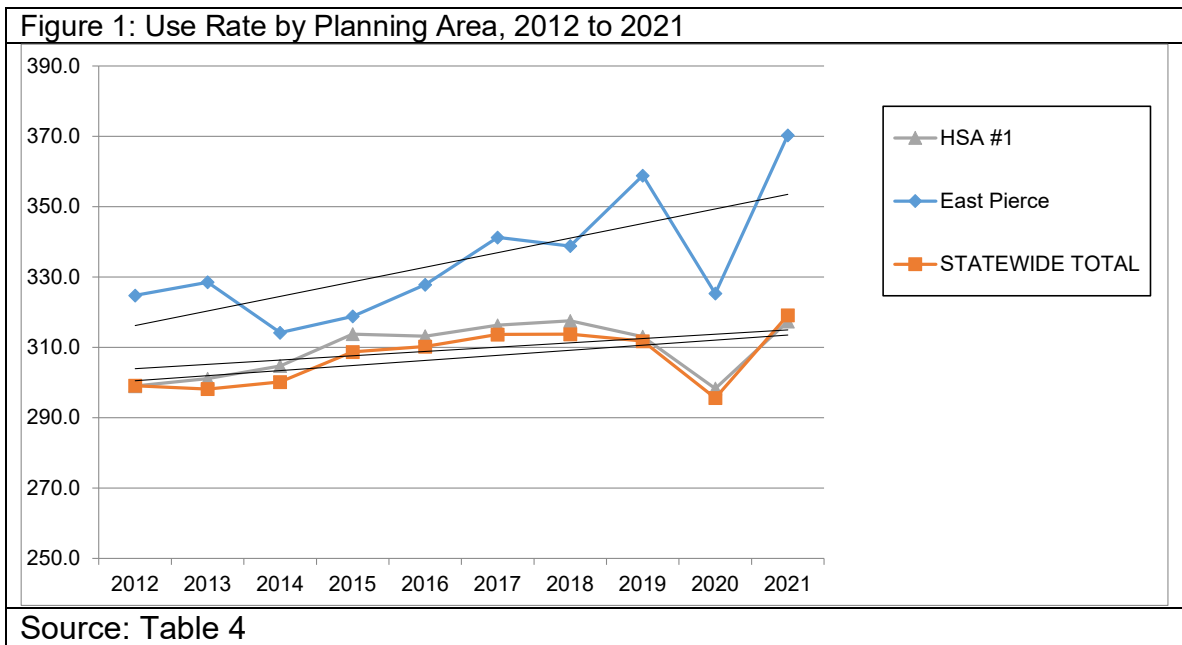
*STEP 4: Using the ten-year history of use rates, compute the use rate trend line, and its slope, for each HSA and the state as a whole*

Slope coefficients:

HSA 1: 1.222

East Pierce County: 4.145

Washington State: 1.447



**STEP 5: Using the latest statewide patient origin study, allocate patient days reported in hospitals back to the hospital planning areas where patients live**

For purposes of the bed need model—to estimate migration into and out of the Planning Area—the analysis divides acute care patient days into two planning areas: the Pierce East County Planning Area, and all other Washington State areas. The analysis indicates there was 56.3% outmigration of patient days of Pierce East residents aged 0-64 years old, and 38.18% out-migration of patient days of Pierce East residents aged 65 years and older to acute care facilities in other planning areas. The analysis also indicates there was 1.62% in-migration of patient days of Washington state residents from other counties for persons aged 0-64 years old, and 1.4% in-migration of patient days of Washington state residents aged 65 years and over.

**STEP 6: Compute each hospital planning area’s use rate for each of the age groups considered (age 15 to 64 and 65+)**



Table 5: Planning Area Use Rates by Age Group		
	East Pierce County	All Other Washington Areas
<b>USE RATES</b>		
0-64	232.04	204.91
65+	1,206.35	904.17
Source: CHARS 2021		

*STEP 7a: Forecast each hospital planning area's use rates for the target year by "trend-adjusting" each age-specific use rate. The use rates are adjusted upward or downward in proportion to the slope of either the statewide ten-year use rate trend or the Health Service Area's ten-year use rate trend, whichever trend would result in the smaller adjustment.*

The slope of the HSA 1 ten-year use rate trend was applied to the forecasted use rates, as this number was the smallest in overall magnitude.

*Step 7B: Possible Adjustment for HMO populations.*

Not applicable

*Step 8: Forecast patient days for each hospital planning area by multiplying the area's trend-adjusted use rates for the age groups by the area's forecasted population (in thousands) in each age group at the target year. Add patient days in each age group to determine total forecasted patient days.*

Table 6: Forecasted Planning Area Patient Days, 2021 to 2028								
	2021	2022	2023	2024	2025	2026	2027	2028
<b>PROJECTED # OF PATIENT DAYS for Planning Area Residents</b>								
0-64	66,101	67,014	67,937	68,872	69,817	70,774	71,742	72,721
65+	58,228	60,944	63,787	66,762	69,875	73,134	76,545	80,115
<b>TOTALS</b>	<b>124,329</b>	<b>127,958</b>	<b>131,724</b>	<b>135,634</b>	<b>139,693</b>	<b>143,908</b>	<b>148,287</b>	<b>152,836</b>
Source: Table 5 for use rates; Figure 1 HSA 1 Slope Coefficient equal to 1.22; Claritas 2021 Population Estimates								

Table 7: Forecasted Planning Area Patient Days, 2029 to 2036								
	2029	2030	2031	2032	2033	2034	2035	2036
<b>PROJECTED # OF PATIENT DAYS for Planning Area Residents</b>								
0-64	73,711	74,714	75,727	76,753	77,791	78,841	79,903	80,977
65+	83,851	87,762	91,854	96,138	100,621	105,313	110,223	115,363
<b>TOTALS</b>	<b>157,563</b>	<b>162,475</b>	<b>167,582</b>	<b>172,891</b>	<b>178,411</b>	<b>184,153</b>	<b>190,126</b>	<b>196,340</b>
Source: Table 5 for use rates; Figure 1 HSA 1 Slope Coefficient equal to 1.22; Claritas 2021 Population Estimates								

*Step 9: Allocate the forecasted patient days to the planning areas where services are expected to be provided in accordance with (a) the hospital market shares and (b) the percent of out-of-state use of Washington hospitals, both derived from the latest statewide patient origin study.*

This step uses the 2021 in- and out-migration percentages from Step 5 and applies them to forecast patient days to estimate patient days for residents who remain in the Planning Area, plus residents who in-migrate to Planning Area providers. The in-migration ratio, which is used in Step 10, is calculated based on all resident patient days to the Planning Area hospital divided by all Planning Area resident days, by age cohort.

*Step 10: Applying weighted average occupancy standards, determine each planning area’s bed need.*

In determining bed need for hospital expansion requests, the Department uses a “target year,” which it currently defines for new facilities as fifteen (15) years after the last full year of actual patient day statistics. In the case of the requested project, a bed expansion at an existing hospital, the Department would consider a seven-year forecast period or 2028 as its “target year.” Table 8 and Table 9 present the Department forecast methodology for the period 2021 to 2028 (Table 8) and 2029 to 2036 (Table 9).

**Table 8: Planning Area Acute Care Bed Need Forecast, 2021 to 2028**

	2021	2022	2023	2024	2025	2026	2027	2028
<b>East Pierce Planning Area</b>	<b>Base Year</b>							<b>Year 7</b>
Population 0-64 (1)	284,874	287,295	289,737	292,199	294,683	297,187	299,713	302,260
0-64 Use Rate (2)	232.04	233.26	234.48	235.70	236.92	238.15	239.37	240.59
Population 65+ (1)	48,268	50,468	52,769	55,174	57,689	60,319	63,069	65,944
65+ Use Rate (2)	1206.35	1207.57	1208.79	1210.01	1211.24	1212.46	1213.68	1214.90
<b>Total Population</b>	<b>333,142</b>	<b>337,763</b>	<b>342,506</b>	<b>347,373</b>	<b>352,372</b>	<b>357,506</b>	<b>362,781</b>	<b>368,203</b>
<b>Total Planning Area Resident Days</b>	<b>124,329</b>	<b>127,958</b>	<b>131,724</b>	<b>135,634</b>	<b>139,693</b>	<b>143,908</b>	<b>148,287</b>	<b>152,836</b>
<b>Total Days in Planning Area Hospitals</b>	<b>102,017</b>	<b>104,855</b>	<b>107,878</b>	<b>110,962</b>	<b>114,155</b>	<b>117,423</b>	<b>120,760</b>	<b>124,191</b>
<b>Licensed Beds (3)</b>								
<i>MultiCare Good Samaritan Hospital</i>	316	316	316	316	316	316	316	316
<b>TOTAL</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>
Wtd Occ Std (4)	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%

<b>Gross Bed Need (TPD/365/Occupancy)—Demand</b>	372.66	383.03	394.07	405.34	417.00	428.94	441.13	453.67
<b>Bed Supply</b>	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00
<b>Net Bed Need/Surplus (Demand - Supply)</b>	<b>56.66</b>	<b>67.03</b>	<b>78.07</b>	<b>89.34</b>	<b>101.00</b>	<b>112.94</b>	<b>125.13</b>	<b>137.67</b>

Sources: (1) Population Sources: Claritas 2021; OFM Medium Series Projections (2017 Release); OFM Forecast of the State Population by Age and Sex; (2) Resident Use Rate Data Source: CHARS 2021, and 2015 Oregon Hospital Discharge Data. See Steps 5 & 6. Future use rates adjusted per slope trends from Step 4; (3) Bed supply sources CN1586; (4) Weighted Occupancy: Calculated per 1987 Washington State Health Plan as the sum, across all hospitals in the planning area, of each hospital's occupancy rate times that hospital's percentage of total beds in the area.

**Table 9: Planning Area Acute Care Bed Need Forecast, 2028 to 2036**

	2029	2030	2031	2032	2033	2034	2035	2036
<b>East Pierce Planning Area</b>								<b>Year 15</b>
Population 0-64 (1)	304,829	307,419	310,032	312,667	315,324	318,004	320,707	323,433
0-64 Use Rate (2)	241.81	243.03	244.26	245.48	246.70	247.92	249.14	250.37
Population 65+ (1)	68,949	72,092	75,379	78,815	82,408	86,164	90,092	94,198
65+ Use Rate (2)	1216.12	1217.35	1218.57	1219.79	1221.01	1222.23	1223.46	1224.68
Total Population	373,778	379,512	385,411	391,482	397,732	404,168	410,799	417,631
Total Planning Area Resident Days	157,563	162,475	167,582	172,891	178,411	184,153	190,126	196,340
Total Days in Planning Area Hospitals	127,696	131,284	134,915	138,646	142,503	146,505	150,692	155,003
<b>Licensed Beds (3)</b>								
<i>MultiCare Good Samaritan Hospital</i>	316	316	316	316	316	316	316	316
<b>TOTAL</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>
Wtd Occ Std (4)	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
<b>Gross Bed Need (TPD/365/Occupancy)-Demand</b>	466.47	479.57	492.84	506.47	520.56	535.18	550.47	566.22
<b>Bed Supply</b>	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00
<b>Net Bed Need/Surplus (Demand - Supply)</b>	<b>150.47</b>	<b>163.57</b>	<b>176.84</b>	<b>190.47</b>	<b>204.56</b>	<b>219.18</b>	<b>234.47</b>	<b>250.22</b>

Sources: (1) Population Sources: Claritas 2021; OFM Medium Series Projections (2017 Release); OFM Forecast of the State Population by Age and Sex; (2) Resident Use Rate Data Source: CHARS, 2021, and 2015 Oregon Hospital Discharge Data. See Steps 5 & 6. Future use rates adjusted per slope trends from Step 4; (3) Bed supply sources CN1586; (4) Weighted Occupancy: Calculated per 1987 Washington State Health Plan as the sum, across all hospitals in the planning area, of each hospital's occupancy rate times that hospital's percentage of total beds in the area.

Table 8 and Table 9 indicate a current shortage of 57 acute care beds (Table 8), given the bed supply at Good Samaritan, which is then forecast to grow to 137 beds in 2028 (Table 8) and then to 250 beds in 2035 (Table 9).

**3. For existing facilities proposing to expand, identify the type of beds that will expand with this project.**

The proposed project will expand the number of acute care inpatient beds.

**4. For existing facilities, provide the facility’s historical utilization for the last three full calendar years. The first table should only include the type(s) of beds that will increase with the project, the second table should include the entire hospital.**

The proposed project entails the addition of acute care beds. Historical utilization of Acute Care Beds only is presented in Table 10. It should be noted that occupancy has consistency grown over 2019-2021, excluding the temporary impacts of Covid in 2020. Currently, based on 2021 statistics, acute care bed occupancy is almost 90%, and this ignores bed turnover requirements, which reduce bed availability.<sup>2</sup>

Table 10: MultiCare Good Samaritan Acute Care Use and Occupancy, 2019 to 2021			
CHARS Acute Care Discharges	2019	2020	2021
Discharges	18,845	18,071	19,538
Patient Days	89,482	83,844	102,017
ADC	245.2	229.7	279.5
Beds - Licensed	316	316	316
Occupancy	77.6%	72.7%	88.4%

Source: CHARS 2019 to 2021

Please see Table 11 for historical utilization for all inpatient care provided at MultiCare Good Samaritan.

Table 11: MultiCare Use and Occupancy, 2019 to 2021			
CHARS All Discharges	2019	2020	2021
Discharges	21,185	20,504	22,085
Patient Days	95,542	90,788	108,811
ADC	261.8	248.7	298.1

<sup>2</sup> The 2022 bed utilization statistics, annualized, indicate acute care bed occupancy is over 100%. During this period, Good Samaritan has been using “Surge Bed” capacity, as authorized by the Department of Health, as identified earlier.

Beds - Licensed	375	375	375
Occupancy	69.8%	66.3%	79.5%
Source: CHARS 2019 to 2021			

As documented in Table 10, over the last three years Good Samaritan’s Acute Care bed units have operated near or above the Department’s target midnight capacity of 75% for 300+ bed hospitals. Good Samaritan is thus presently above its capacity.

**5. Provide projected utilization of the proposed facility for the first seven full years of operation if this project proposes an expansion to an existing hospital. Provide projected utilization for the first ten full years if this project proposes new facility. For existing facilities, also provide the information for intervening years between historical and projected. The first table should only include the type(s) of beds that will increase with the project, the second table should include the entire hospital. Include all assumptions used to make these projections.**

Given an anticipated project completion date of September 2026, the year 2027 represents the first full year following project completion. We provide a utilization forecast for the period 2022 to 2034 in Table 12.

Utilization forecast assumptions:

- 2022 figures are based on annualized June 30, 2022 utilization.
- Baseline is set equal to 2022 YTD annualized actual utilization.
- Growth Rate - Discharges are the forecast driver over the forecast over 2023-2026. Over 2023-2025, discharges increase at 2% until 2026, then at 2.5% in 2026. This growth rate is consistent with, but below that of Good Samaritan’s actual annual growth of about 2.9%. The model growth rate is less over this period, given Good Samaritan acute care beds are effectively already at capacity.
- Once the tower opens with the additional acute care beds, the forecast is driven by patient days, which are set equal to incremental days forecast by the East Pierce Numeric Need Model. There is a modest “spike” in days over the period 2026-2027, reflecting the reduced out-migration of planning area residents once additional acute care bed capacity becomes available.
- For the year 2026, of which January to September is pre-project completion and October to December is post project completion, forecast patient days are set equal to the weighted average of the 2021 ADC and the 2026 ADC from the East Pierce Numeric Need Model, respectively.

- Average Length of Stay (“ALOS”) for acute care beds is assumed constant over the forecast and set equal to the 2021 Acute Care ALOS of 5.22.
- Patient days over 2023-2026 are the product of ALOS multiplied by discharges. From 2027 forward, patient days are the driver and set equal to the incremental days in the acute care bed forecast for East Pierce.
- Over 2027 and forward, discharges are the quotient of patient days divided by ALOS.
- Cases and patient days are rounded to 0 digits. ALOS is rounded to two digits.

Table 12: MultiCare Good Samaritan Acute Care Bed Utilization Forecast, 2022 to 2034

	2022 (Actual, Annualized)	2023	2024	2025	2026	2027
Patient Days	115,908	103,666	105,739	107,854	110,551	120,760
ADC	318	284	290	295	303	331
ALOS	5.95	5.22	5.22	5.22	5.22	5.22
Admissions	19,470	19,859	20,257	20,662	21,178	23,134
Beds (1)	336	336	336	336	476	476
Occupancy	94.5%	84.5%	86.2%	87.9%	63.6%	69.5%

	2028	2029	2030	2031	2032	2033	2034
Patient Days	124,191	127,696	131,284	134,915	138,646	142,503	146,505
ADC	340	350	360	370	380	390	401
ALOS	5.22	5.22	5.22	5.22	5.22	5.22	5.22
Admissions	23,791	24,463	25,150	25,846	26,561	27,299	28,066
Beds (1)	476	476	476	476	476	476	476
Occupancy	71.5%	73.5%	75.6%	77.7%	79.8%	82.0%	84.3%

Sources: Applicant based on historical growth rates adjusted for occupancy constraints, 2021 CHARS, and East Pierce Acute Care Need Methodology (as presented in Exhibit 4).

Notes: (1) This table includes the 20 rehabilitation beds reallocated to acute care use over the 2022 to 2026 pre-operational period.

**6. For existing facilities, provide patient origin zip code data for the most recent full calendar year of operation.**

Please see Exhibit 5 for patient origin data for Good Samaritan.

**7. Identify any factors in the planning area that currently restrict patient access to the proposed services.**

If the project is not approved, out-migration will increase. Travel is inconvenient and time-consuming for Planning Area residents; providing adequate capacity within the Planning Area and greater service area allows more residents to receive care close to home without unnecessarily traveling long distances and spending extra resources.

**8. Identify how this project will be available and accessible to underserved groups.**

As a locally based, not-for-profit health care system, MultiCare is committed to serving everyone in the community, without regard to income, race, ethnicity, gender, religion or any other protected class. MultiCare accomplishes its mission through a variety of means, including charity care, health education and outreach programs for underserved populations, free prevention and screening programs, support groups and services for patients and families experiencing chronic and terminal diseases.

Good Samaritan is committed to meeting community and regional health needs and provides charity care consistent with the MultiCare Charity Care Policy, included under Exhibit 6.

Our financial pro forma forecast provided in Exhibit 7 allocates 1.75% of revenues to be provided for charity care, a figure consistent with the amounts provided by Good Samaritan in 2021, and greater than the Puget Sound Regional charity care average, less King County, over the 2018 to 2020 period. Please see Table 13 below for the historical Charity Care amounts provided by Good Samaritan and other Puget Sound Hospitals.

	2018	2019	2020	2021	2018-2020 year average
MultiCare Good Samaritan	2.22%	2.19%	2.14%	1.75%	2.18%
Other Puget Sound Hospitals	1.36%	1.26%	1.64%	UNKWN	1.42%
Total	1.44%	1.35%	1.69%	UNKWN	1.49%

Sources: 2018 to 2020 Department of Health Charity Care Reports; Applicant.

**9. If this project proposes either a partial or full relocation of an existing facility, provide a detailed discussion of the limitations of the current location.**

The proposed project does not entail either a partial or full relocation, thus this question is not applicable.

**10. If this project proposes either a partial or full relocation of an existing facility, provide a detailed discussion of the benefits associated with relocation.**

The proposed project does not entail either a partial or full relocation, thus this question is not applicable.

**11. Provide a copy of the following policies:**

- **Admissions policy**
- **Charity care or financial assistance policy**
- **Patient rights and responsibilities policy**
- **Non-discrimination policy**
- **End of life policy**
- **Reproductive health policy**
- **Any other policies directly associated with patient access**

Please see Exhibit 6 for copies of the MultiCare policies for Admissions (6a), Financial Assistance (6b), Patient Rights & Responsibilities (6c), Non-discrimination (6d), End of Life (6e), and Reproductive Health (6f).



## **B. Financial Feasibility (WAC 246-310-220)**

**Financial feasibility is based on the criteria in WAC 246-310-220.**

**1. Provide documentation that demonstrates the immediate and long-range capital and operating costs of the project can be met. This should include but is not limited to:**

- **Utilization projections. These should be consistent with the projections provided under the Need section. Include all assumptions.**
- **A current balance sheet at the facility level.**
- **Pro forma balance sheets at the facility level throughout the projection period.**
- **Pro forma revenue and expense projections for at least the first three full calendar years following completion of the project. Include all assumptions.**
- **For existing facilities, provide historical revenue and expense statements, including the current year. Ensure these are in the same format as the pro forma projections. For incomplete years, identify whether the data is annualized.**

See Exhibit 7 for the financial exhibit including the following information:

- Historical revenue and expense statements
- Pro forma projections
- FTE staffing
- Depreciation table
- Amortization schedule
- Tables of key Assumptions for these forecasts

We have modeled the Acute Care and Surgical Services Cost Centers separately from the entire hospital. We have also modeled the “No Project” scenario, where Good Samaritan financials are consistent with 2021 actuals, adjusting for the small increases in pre-operational utilization. In the “With Project” scenario, we have driven financial forecasts for the Acute Care cost center and the Surgical Services cost center<sup>3</sup> off forecast increases in patient days on a per statistic basis; these two cost centers are presented separately from the overall hospital, then added together with other costs centers at Good Samaritan in the With Project model.

Please see Table 12 above, for patient day utilization projections.

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<sup>3</sup> Based on review of Good Samaritan data, it was determined that Surgical Services would be most directly affected by the project. However, there are numerous other cost centers that will be impacted, including Lab, Imaging, Emergency Services, ICU, Anesthesia, Pharmacy, to name a few.

MultiCare retains all balance sheet information at the System level. Thus, there are no independent balance sheets for Good Samaritan.

**2. Identify the hospital's fiscal year.**

Good Samaritan's fiscal year is the calendar year.

**3. Provide the following agreements/contracts:**

- **Management agreement**
- **Operating agreement**
- **Development agreement**
- **Joint Venture agreement**

**Note, all agreements above must be valid through at least the first three full years following project completion or have a clause with automatic renewals. Any agreements in draft form must include a document signed by both entities committing to execute the agreement as submitted following CN approval.**

Good Samaritan does not hold any of the above agreements, thus this question is not applicable.

**4. Provide documentation of site control. This could include either a deed to the site or a lease agreement for the site. If a lease agreement is provided, the terms must be for at least five years with options to renew for a total of 20 years.**

Please see Exhibit 8 for a copy of the deed to the site owned by MultiCare.

**5. Provide county assessor information and zoning information for the site. If zoning information for the site is unclear, provide documentation or letter from the municipal authorities showing the proposed project is allowable at the identified site. If the site must undergo rezoning or other review prior to being appropriate for the proposed project, identify the current status of the process.**

Please see Exhibit 9 for a copy of the Pierce County Assessor Property Summary for the property occupied by Good Samaritan, as well as a copy of the City of Puyallup Zoning Map. The location of Good Samaritan in the included zoning map is circled in red, located in Puyallup's Medical Zone. Approved uses within Puyallup's Medical Zone include hospitals and hospital-related facilities.

**6. Complete the table on the following page with the estimated capital expenditure associated with this project. If you include other line items not**

**listed below, include the definition of the line item. Include all assumptions used to create the capital expenditure estimate.**

We include both project-related and non-project-related capital expenses in Table 14. Non-project related capital expenses include expenses for the expansion of the waiting room in Good Samaritan’s Emergency Department, 7<sup>th</sup> Street improvements, and off-site City improvements.

Item	CON Application	Non CON Application	Total
a. Land Purchase			
b. Utilities to Site			
c. Land Improvement			
d. Building Purchase			
e. Residual Value of Replaced Facility			
f. Building Construction	\$ 284,347,058	\$ 21,298,221	\$ 305,645,279
g. Fixed Equipment (not already included in the construction contract)	\$ 2,061,509	\$ 1,667,852	\$ 3,729,361
h. Movable Equipment	\$ 29,207,539	\$ 595,661	\$ 29,803,200
i. Architect and Engineering Fees	\$ 19,177,335	\$ 2,064,772	\$ 21,242,107
j. Consulting Fees	\$ 14,383,001		\$ 14,383,001
k. Site Preparation			\$ -
l. Supervision and Inspection of Site	\$ 9,588,667		\$ 9,588,667
m. Any Costs Associated with Securing the Sources of Financing (include interim interest during construction)	\$ 13,971,881		\$ 13,971,881
1. Land			
2. Building			
3. Equipment			
4. Other			
n. Washington Sales Tax	\$ 31,561,611	\$ 2,356,173	\$ 33,917,784
<b>Total Estimated Capital Expenditure</b>	<b>\$ 404,298,602</b>	<b>\$ 27,982,679</b>	<b>\$ 432,281,281</b>

**7. Identify the entity responsible for the estimated capital costs. If more than one entity is responsible, provide breakdown of percentages and amounts for all.**

MultiCare plans to fund the proposed project through a combination of cash from operations, philanthropic gifts, and debt, as described below. The specific amount from each source has not yet been identified, but we have sufficient cash to fully fund the project, and we are establishing a \$200 million line of credit that could also be used if needed.

For the pre-operational period, it has been assumed the \$390,326,721 in construction and equipment costs incurred over the 25-month construction period (lines f, g, and h, above) will be funded from either this line of credit or MHS, where the combined internal cost of capital is about 3.5%. For conservatism, we have assumed line of credit financing and have calculated interest expense; the capitalized interest for this \$390M is calculated assuming a 3.5% cost to capital, broken down over the 25-month building period. This capitalized interest, equal to \$13,971,881 (line m, above), is assumed paid at project completion.

At project completion, we assume that half of the \$390M (\$404,298,602 - \$13,971,881 = \$390,326,721), or \$195,163,360, is converted to debt and financed over a 30-year period. Interest is calculated from this debt obligation, of which 40% is allocated to Good Samaritan. We include an amortization table of these monthly amounts in Exhibit 7 and a letter of financial commitment from MultiCare Health System in Exhibit 10.

- 8. Identify the start-up costs for this project. Include the assumptions used to develop these costs. Start-up costs should include any non-capital expenditure expenses incurred prior to the facility opening or initiating the proposed service.**

Good Samaritan is currently operating and will continue to operate through the construction of the proposed project. Thus, this question is not applicable.

- 9. Identify the entity responsible for the start-up costs. If more than one entity is responsible, provide a breakdown of percentages and amounts for all.**

This question is not applicable.

- 10. Provide a non-binding contractor's estimate for the construction costs for the project.**

Please see Exhibit 11 for a non-binding contractor's estimate for the proposed project.

- 11. Provide a detailed narrative supporting that the costs of the project, including any construction costs, will probably not result in an unreasonable impact on the costs and charges for health services in the planning area.**

Good Samaritan's reimbursement is not tied to its capital expenditures. Therefore, the proposed project will not affect costs and charges for health services in the planning area.

- 12. Provide the projected payer mix for the hospital by revenue and by patients using the example table below. Medicare and Medicaid managed care plans**

should be included within the Medicare and Medicaid lines, respectively. If “other” is a category, define what is included in “other.”

Payer Mix	Percentage by Gross Revenue	Percentage by Net Revenue	Percentage by Patient Days
Medicare	41.7%	40.9%	51.1%
Medicaid	21.5%	21.1%	20.6%
Other	36.8%	38.1%	28.4%
Total	100.0%	100.0%	100.0%

“Other” includes all commercial, self-pay, and public payment sources other than Medicare and Medicaid

**13. If this project proposes the addition of beds to an existing facility, provide the historical payer mix by revenue and patients for the existing facility. The table format should be consistent with the table shown above.**

We include the historical payer mix by revenue and patients below for the year 2021.

Payer Mix	Percentage by Gross Revenue	Percentage by Net Revenue	Percentage by Patient Days
Medicare	41.7%	40.9%	51.1%
Medicaid	21.5%	21.1%	20.6%
Other	36.8%	38.1%	28.4%
Total	100.0%	100.0%	100.0%

**14. Provide a listing of all new equipment proposed for this project. The list should include estimated costs for the equipment. If no new equipment is required, explain.**

Please see Exhibit 12 for an equipment list for the proposed project.

**15. Identify the source(s) of financing and start-up costs (loan, grant, gifts, etc.) and provide supporting documentation from the source. Examples of supporting documentation include: a letter from the applicant’s CFO committing to pay for the project or draft terms from a financial institution.**

**If this project will be debt financed through a financial institution, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.**

MultiCare plans to fund the proposed project through a combination of cash from operations, philanthropic gifts, and debt. The specific amount from each source has not yet been identified, but we have sufficient cash to fully fund the project, and we are establishing a \$200 million line of credit that could also be used if needed.

For the purposes of this application, and in the interest of conservatism, we assume capital expenditures from the proposed project will be 50% funded from reserves and 50% funded from the \$200 million line of credit. Please see Exhibit 10 for a letter of financial commitment from MultiCare Health System.

**16. Provide the most recent audited financial statements for:**

- **The applicant, and**
- **Any parent entity**

We include the 2020 to 2021 Audited Financials for MultiCare Health System in Exhibit 13.

**C. Structure and Process of Care (WAC 246-310-230)**

Projects are evaluated based on the criteria in WAC 246-310-230 for staffing availability, relationships with other healthcare entities, relationships with ancillary and support services, and compliance with federal and state requirements. Some of the questions within this section have implications on financial feasibility under WAC 246-310-220.

1. Identify all licensed healthcare facilities owned, operated, or managed by the applicant. This should include all facilities in Washington State as well as any out-of-state facilities. Include applicable license and certification numbers.

A list of MultiCare facilities is included in Table 15.

Name	Address	Medicare Provider Number	Medicaid Provider Number
MultiCare Mary Bridge Children's Hospital	317 Martin Luther King Jr. Way, Tacoma WA 98403	503301	3300340
MultiCare Auburn Medical Center	202 North Division St., Auburn WA 98001	500015	2022467
MultiCare Behavioral Health Inpatient Services-Auburn	202 North Division St., Auburn WA 98001	50-S015	3149101
MultiCare Deaconess	800 W 5th Ave Spokane, WA 99204-2803	500044	2083493
MultiCare Valley	12606 East Mission Ave. Spokane Valley 99216-3421	500119	2083493
MultiCare Tacoma General Hospital	315 Martin Luther King Jr. Way, Tacoma WA 98405	500129	3300332
MultiCare Tacoma General Behavioral Health Adolescent Inpatient Services	315 Martin Luther King Jr. Way, Tacoma, WA 98405	50-0129	2071315
MultiCare Allenmore Hospital	1901 South Union Avenue, Tacoma WA 98405	500129	3300332
MultiCare Good Samaritan Hospital	407 14th Ave. SE Puyallup, WA 98372	500079	3308707
MultiCare Good Samaritan Hospital, Inpatient Rehabilitation	401 15th Ave. SE, Puyallup, WA 98372	50T079	3200094
Navos	2600 Southwest Holden, Seattle, WA 98126	504009	3500311

MultiCare Covington Hospital	17700 SE 272nd Street, Covington, WA 98042	500154	2102039
Wellfound Behavioral Health Hospital	3402 S. 19th Street, Tacoma, WA 98405	504016	150453
MultiCare Capital Medical Center	3900 Capital Mall Dr SW, Olympia, WA 98502	500139	330365
Source: Applicant			

- 2. Provide a table that shows full time equivalents (FTEs) by type (e.g. physicians, management, technicians, RNs, nursing assistants, etc.) for the facility. If the facility is currently in operation, include at least the most recent full year of operation, the current year, and projections through the first three full years of operation following project completion. There should be no gaps. All FTE types should be defined.**

Please see the FTE schedule presented in Exhibit 7 for historical and forecast FTEs by occupation.

- 3. Provide the basis for the assumptions used to project the number and types of FTEs identified for this project.**

Additional FTEs required for the proposed project are expected to include Management, Nursing, Technical, Supervision, Orientation, Education, Technical Fixed, CNA/MA, Service & Maintenance, and supplemental contract workers. The assumptions for each are as follows:

- Management – Assume a new manager for each unit in the new patient care tower
- RN – Calculated based on incremental patient days due to the proposed project, based on the 2021 ratio of FTEs to patient days (Acute Care services) or FTEs to OR minutes (Surgical services)
- Technical – Calculated based on incremental patient days due to the proposed project, based on the 2021 ratio of FTEs to patient days (Acute Care services) or FTEs to OR minutes (Surgical services)
- Supervision – Calculated based on incremental patient days due to the proposed project, based on the 2021 ratio of FTEs to patient days (Acute Care services) or FTEs to OR minutes (Surgical services)
- Orientation – Calculated based on incremental patient days due to the proposed project, based on the 2021 ratio of FTEs to patient days (Acute Care services) or FTEs to OR minutes (Surgical services)
- Education – Calculated based on incremental patient days due to the proposed project, based on the 2021 ratio of FTEs to patient days (Acute Care services) or FTEs to OR minutes (Surgical services)



- Technical Fixed – Calculated based on incremental patient days due to the proposed project, based on the 2021 ratio of FTEs to patient days (Acute Care services) or FTEs to OR minutes (Surgical services)
- CNA/MA – Calculated based on incremental patient days due to the proposed project, based on the 2021 ratio of FTEs to patient days (Acute Care services) or FTEs to OR minutes (Surgical services)
- Service & Maintenance – Calculated based on incremental patient days due to the proposed project, based on the 2021 ratio of FTEs to patient days (Acute Care services) or FTEs to OR minutes (Surgical services)
- Supplemental Contract Workers – Calculated based on incremental patient days due to the proposed project, based on the 2021 ratio of FTEs to patient days (Acute Care services) or FTEs to OR minutes (Surgical services)

**4. Identify key staff (e.g. chief of medicine, nurse manager, clinical director, etc.) by name and professional license number, if known.**

<b>Name</b>	<b>Position</b>	<b>License Number</b>
Kristi Hartway	Chief Nursing Officer	RN60538542
Robert Corliss, MD	Interim Chief Medical Officer	MD00032451
Lescia Meyers	Clinical Director Critical Care	RN00174798
Caroline Rath	Clinical Director Medical Surgical	RN00154030

**5. Describe your methods for staff recruitment and retention. If any barriers to staff recruitment exist in the planning area, provide a detailed description of your plan to staff this project.**

The present healthcare workforce shortages across Washington and consequent staffing challenges are well known to the Department and exigent healthcare community. As part of the proposed project, MultiCare anticipates hiring about an additional 95 Productive FTEs over the 2026 to 2027 period, including 44 nursing FTEs.

MultiCare recognizes that job seekers have different preferences and balance many factors when deciding to take a specific job. These often include opportunities for advancement, workplace environment and culture, the support of management, workload and work-related stress, required travel, and other factors. The importance of, or preferences related to these different factors will vary by individual, but MultiCare has created a healthy organizational environment consistent with its

mission and valued by its employees. This resulted in MultiCare being included within Forbes “America’s Best Employers by State.”<sup>4</sup>

Furthermore, while workers have different preferences when it comes to qualitative factors, higher compensation is universally preferred to lower compensation. MultiCare understands this fact, and the projected salary structure for Good Samaritan accounts for above average salaries to attract employees. In addition, since higher salaries reduce turnover,<sup>5</sup> MultiCare is likely to be successful at retaining those staff. This is important for continuity and quality of care.

With an established presence and respected reputation, MultiCare is well-positioned to respond proactively to the staffing shortages in the area and to recruit and retain sufficient qualified staff. It plans to leverage its strong local recruitment program and existing network of local and national recruiting resources to promptly and successfully recruit the new staff that will be required.

**6. For new facilities, provide a listing of ancillary and support services that will be established.**

This question is not applicable.

**7. For existing facilities, provide a listing of ancillary and support services already in place.**

The existing ancillary and support services, and an indication as to whether they are provided in house or under agreement, are provided in the table below.

Ancillary and Support Services	Vendor
Linen	Hospital Central Services
Pathology	In House
Security	In House
Biomedical	In House
Medical Waste	Clean Harbors
Janitorial services	In House
Respiratory Therapy	In House
Dietary	In House

**8. Identify whether any of the existing ancillary or support agreements are expected to change as a result of this project.**

None of the existing ancillary or support agreements are expected to change due to the proposed project.

<sup>4</sup> <https://www.forbes.com/best-employers-by-state/#3c516a7a487a>, Last Accessed April 5, 2022.

<sup>5</sup> See, for example, Krueger and Summers, “Efficiency Wages and the Inter-Industry Wage Structure,” *Econometrica*, Vol. 56, No. 2 (Mar., 1988), pp. 259-293 and Raff and Summers, “Did Henry Ford Pay Efficiency Wages?,” *Journal of Labor Economics*, Volume 5, Number 4, Part 2 | Oct., 1987.

**9. If the facility is currently operating, provide a listing of healthcare facilities with which the facility has working relationships.**

Good Samaritan works closely with most healthcare providers in East Pierce County, as well as those in Seattle, South King County and Pierce County. This includes EMS, primary care and specialty clinics, other hospitals, nursing homes, assisted living communities, home health and hospice.

**10. Identify whether any of the existing working relationships with healthcare facilities listed above would change as a result of this project.**

None of the existing working relationships with healthcare facilities listed above would change as a result of this project.

**11. For a new facility, provide a listing of healthcare facilities with which the facility would establish working relationships.**

This question is not applicable.

**12. Provide an explanation of how the proposed project will promote continuity in the provision of health care services in the planning area, and not result in an unwarranted fragmentation of services.**

Good Samaritan is an integrated member of the community health system and has developed relationships with many community and regional partners. Further, Good Samaritan, as part of MultiCare, has established formal relationships with other planning area providers.

The requested project proposes an expansion of existing services. This expansion is necessary to improve resident access to healthcare services and prevent increases in planning area out-migration. Good Samaritan is the only inpatient hospital in the East Pierce Planning Area. Therefore, the proposed project promotes continuity of services and will not result in an unwarranted fragmentation of services.

**13. Provide an explanation of how the proposed project will have an appropriate relationship to the service area's existing health care system as required in WAC 246-310-230(4).**

Good Samaritan is an existing planning area hospital with 316 licensed acute care beds. Good Samaritan is the only acute care hospital in the East Pierce Planning Area and is an integrated member of the community health system and has developed relationships with many community and regional partners—it is part of the service area's existing health care system, which will not change. Therefore, Good Samaritan has developed and will continue to develop appropriate relationships with

the service area's existing care system to ensure Planning Area and Washington residents have access to high quality care.

**14. Identify whether any facility or practitioner associated with this application has a history of the actions listed below. If so, provide evidence that the proposed or existing facility can and will be operated in a manner that ensures safe and adequate care to the public and conforms to applicable federal and state requirements.**

- a. A criminal conviction which is reasonably related to the applicant's competency to exercise responsibility for the ownership or operation of a health care facility; or**
- b. A revocation of a license to operate a healthcare facility; or**
- c. A revocation of a license to practice as a health profession; or**
- d. Decertification as a provider of services in the Medicare or Medicaid program because of failure to comply with applicable federal conditions of participation.**

No facility or practitioner associated with this application has a history of the listed actions.

#### **D. Cost Containment (WAC 246-310-240)**

**Projects are evaluated based on the criteria in WAC 246-310-240 in order to identify the best available project for the planning area.**

**1. Identify all alternatives considered prior to submitting this project. At a minimum include a brief discussion of this project versus no project.**

The East Pierce Numeric Need model documents what Good Samaritan has known from its recent experience: There is significant need for additional inpatient bed capacity in the East Pierce Planning Area. The numeric need model quantifies this need to equal about 140 beds by 2028. Given that MultiCare resolved to address this planning area need, two different alternatives were considered prior to submitting the proposed project:

1. Construction of a new patient care tower with 120 beds, plus two shelled-in floors which could accommodate an additional 40 beds each. One of the shelled-in floors would be added about 2-3 years later once planning area need supported a 160-bed tower. The second shelled-in floor would be completed at a to-be-determined future date.
2. Construction of a new patient care tower with 160 beds. This option also includes one additional floor which would be just shell and core.

We also acknowledge the option of forgoing the proposed project and “doing nothing.” However, while this option does not require the project capital outlays and time and expense of a Certificate of Need, it will lead to barriers to access for East Pierce residents and fragmentation of care within the planning area. Furthermore, since Good Samaritan cares for many Washington residents who live outside East Pierce, these barriers to access would spill over to neighboring planning areas, potentially straining MultiCare hospitals elsewhere in Washington State.

**3. Provide a comparison of this project with alternatives rejected by the applicant. Include the rationale for considering this project to be superior to the rejected alternatives. Factors to consider can include, but are not limited to: patient access to healthcare services, capital cost, legal restrictions, staffing impacts, quality of care, and cost or operation efficiency.**

As outlined above, given that MultiCare resolved to address the planning area need in East Pierce, two alternatives were considered:

1. Construction of a new patient care tower with 120 beds. There would be an additional two floors of shell and core which could accommodate 80 beds (40 beds per floor).

2. Construction of a new patient care tower with 160 beds (The Project). This option also includes one additional floor which would be just shell and core.

Table 16: Alternatives Analysis: Promoting Access to Healthcare Services	
Option:	Advantages/Disadvantages:
Construction of patient care tower with 120 beds + additional shelled-in floor	<ul style="list-style-type: none"> <li>• Adds acute care inpatient capacity within the planning area consistent with numeric need estimates in 2028. (Advantage, “A”)</li> <li>• Addresses the current high occupancy rates at Good Samaritan. (A)</li> <li>• Constrains Good Samaritan in its ability to address impending increases in patient volumes directly following completion of the proposed project (Disadvantage, “D”)</li> </ul>
<b>Construction of patient care tower with 160 beds (The Project)</b>	<ul style="list-style-type: none"> <li>• Adds acute care inpatient capacity within the planning area consistent with numeric need estimates in 2030. (A)</li> <li>• Addresses the current high occupancy rates at Good Samaritan. (A)</li> <li>• Proactively plans for additional increases in patient volumes following completion of the proposed project (A)</li> </ul>

Table 17: Alternatives Analysis: Promoting Quality of Care	
Option:	Advantages/Disadvantages:
Construction of patient care tower with 120 beds + additional shelled-in floor	<ul style="list-style-type: none"> <li>• Accommodates patients and providers in a new state-of-the-art facility. This promotes quality of care and assists in the recruitment of providers. (A)</li> <li>• Reduces the likelihood that patients will have to seek care at out-of-area and unfamiliar providers. (A)</li> </ul>
<b>Construction of patient care tower with 160 beds (The Project)</b>	<ul style="list-style-type: none"> <li>• Accommodates patients and providers in a new state-of-the-art facility. This promotes quality of care and assists in the recruitment of providers. (A)</li> <li>• Reduces the likelihood that patients will have to seek care at out-of-area and unfamiliar providers. (A)</li> </ul>

Option:	Advantages/Disadvantages:
Construction of patient care tower with 120 beds + additional shelled-in floor	<ul style="list-style-type: none"> <li>• Allows for slightly less capital cost overall in the short-term consistent with leaving an additional floor of the patient tower as an empty shell. (A)</li> <li>• Would leave two empty floors, but still requires construction of the patient care tower and all related construction and improvements such as shared areas, utilities, and architect fees. This results in a loss of efficiency and higher capital cost per bed once the additional build-out take place. (D)</li> <li>• Completion of the two empty floors would have to be planned independently, likely as stand-alone projects. This would increase costs of the bed tower relative to the proposed project. (D)</li> </ul>
<b>Construction of patient care tower with 160 beds (The Project)</b>	<ul style="list-style-type: none"> <li>• Requires slightly more capital cost in the short-term. (D)</li> <li>• Allows completion of four floors of the patient care tower at once. This results in increased construction efficiency and a lower capital cost per bed. (A)</li> <li>• Most efficient use of capital cost. (A)</li> </ul>

Option:	Advantages/Disadvantages:
Construction of patient care tower with 120 beds + additional shelled-in floor	<ul style="list-style-type: none"> <li>• Adds acute care bed capacity, which currently operates at an extremely high occupancy. This will reduce the time spent on patient placement and allow patients to be rapidly assigned to an appropriate site of care. (A)</li> <li>• Colocation of clinical and surgical services, providing for increased efficiency, flexibility, and quality of care for patient services. (A)</li> <li>• Requires multi-phased approach for the full project scope, resulting in duplicative costs in planning, regulatory, and construction. (D)</li> </ul>

<b>Construction of patient care tower with 160 beds (The Project)</b>	<ul style="list-style-type: none"> <li>• Adds acute care bed capacity, which currently operates at an extremely high occupancy. This will reduce the time spent on patient placement and allow patients to be rapidly assigned to an appropriate site of care. (A)</li> <li>• Colocation of clinical and surgical services, providing for increased efficiency, flexibility, and quality of care for patient services. (A)</li> <li>• Promotes cost containment through scope and cost efficiency metrics to limit excess building area per bed and minimize construction cost per bed. (A)</li> </ul>
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Table 20: Alternatives Analysis: Legal Restrictions	
Option:	Advantages/Disadvantages:
Construction of patient care tower with 120 beds + additional shelled-in floor	<ul style="list-style-type: none"> <li>• This option requires certificate-of-need approval for both the 120-bed project, as well as a future certificate-of-need approval for completion of the two additional 40-bed shelled-in floors. Under this option, the certificate-of-need process would likely need to be navigated three times. (D)</li> </ul>
<b>Construction of patient care tower with 160 beds (The Project)</b>	<ul style="list-style-type: none"> <li>• This option requires certificate-of-need approval, but only twice. (A)</li> </ul>

- 4. If the project involves construction, provide information that supports conformance with WAC 246-310-240(2):**
- **The costs, scope, and methods of construction and energy conservation are reasonable; and**
  - **The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.**

Per WAC 246-310-240 (2) requirements, MultiCare’s primary objective is to affordably meet the Washington State Building Code and the Washington State Energy Code. The placement of the expansion project utilizes the existing hospital facilities to reduce disruption of existing hospital and plant facilities. The project



promotes cost containment through scope and cost efficiency metrics to limit excess building area per bed and minimize construction cost per bed, while promoting flexibility for clinical services and quality care for patient services. The selected facility infrastructure and energy systems system was selected from multiple alternatives that were evaluated based on criteria that included: initial capital expenditure, ongoing operating costs, indoor air quality, future flexibility and expected equipment life.

**5. Identify any aspects of the project that will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost containment and which promote quality assurance and cost effectiveness.**

As discussed above, this project is required to alleviate current acute care inpatient bed capacity constraints at Good Samaritan. Without the project, residents of East Pierce Planning Area as well as others who in migrate to Good Samaritan will be forced to receive inpatient care elsewhere. This would be neither efficient nor promote quality of care. Please see Tables 16-20, above for project advantages.

## V. Addendum for Hospital Projects

All Tertiary Services EXCEPT Percutaneous Coronary Intervention (PCI)

The following questions are applicable to ALL tertiary service projects except for elective PCI. There are service-specific sections that follow.

### A. General Questions – Applicable to ALL Tertiary Service Projects except for PCI

#### Project Description

1. Check the box corresponding with the tertiary service proposed by your project:

<input type="checkbox"/> NICU Level II	<input type="checkbox"/> Organ Transplant
<input type="checkbox"/> NICU Level III	<input type="checkbox"/> Open Heart Surgery
<input type="checkbox"/> NICU Level IV	<input type="checkbox"/> Elective PCI*
<input type="checkbox"/> Specialized Pediatric (PICU)	<input type="checkbox"/> PPS-Exempt Rehab Level I (indicate level)
<input type="checkbox"/> Psychiatric (within acute care hospital)	<input type="checkbox"/> Specialty Burn Services

**\*If you selected “Elective PCI” above, skip this section and move on to the PCI-specific Addendum**

#### Need

2. If there is a numeric need methodology specific to your service in WAC, provide the WAC-based methodology. If there is no numeric need methodology in WAC, provide and discuss a service-specific numeric need methodology supporting the approval of your project. Include all assumptions and data sources.
3. Are there any service/unit-specific policies or guidelines? If yes, provide copies of the policies/guidelines.

#### Financial Feasibility

4. Provide the proposed payer mix specific to the proposed unit or service. If this project represents the expansion of an existing unit, provide the current unit’s payer mix for reference.

5. Provide pro forma revenue and expense statements for the proposed unit or service. If this project proposes the expansion of an existing unit, provide both with and without the project.
6. If there is no capital expenditure for this project, explain why.

#### **Structure and Process of Care**

7. If applicable for the service proposed, provide the name and professional license number of the proposed medical director. If not already disclosed under WAC 246-310-220(1) above, identify if the medical director is an employee or under contract.
8. If the medical director is/will be an employee rather than under contract, provide the medical director's job description.
9. If the medical director is/will be under contract rather an employee, provide the medical director contract.
10. Provide the names and professional license numbers of current and proposed credentialed staff for this service/unit.
11. If applicable for the service proposed, provide the existing or proposed transfer agreement with a local hospital.
12. Will the service/unit proposed comply with any state or national standards? If yes, provide the applicable standard, the rationale for selecting the standard selected, and a detailed discussion outlining how this project will comply with the standard.
13. After discharge, what steps are taken to ensure continuity of care for each patient?
14. If the proposed service type is already offered in the same planning area, provide a detailed description of the steps that will be taken to avoid unwarranted fragmentation of care within the existing healthcare system.

**B. Psychiatric Unit Projects Only**

- 1. Confirm that the existing or proposed facility will accept ITA patients.**
  
- 2. Identify if the existing or proposed facility will provide pediatric or geriatric psychiatric services. If yes, identify the number of beds dedicated to each service.**

**C. Rehabilitation Unit Projects Only**

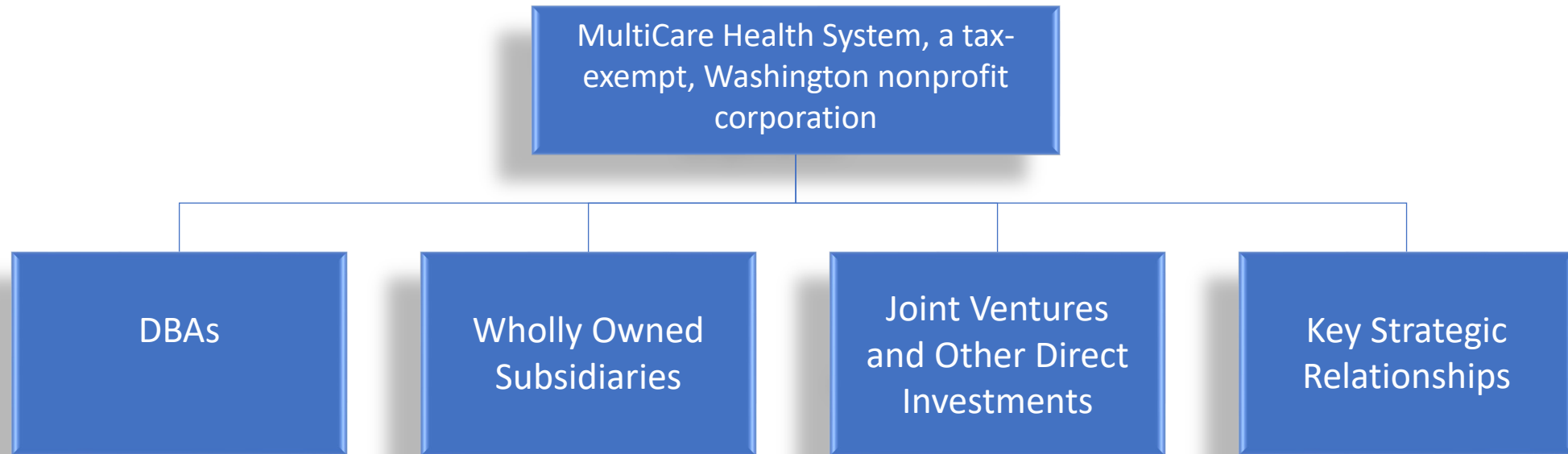
- 1. What trauma designation is being proposed for this rehabilitation unit?**
- 2. Will there be separate units for separate diagnoses requiring rehabilitation?**

**D. NICU Projects ONLY**

- 1. Describe how this project will adhere to the most recent Washington State Perinatal Level of Care Guidelines.**

Exhibit 1  
MultiCare Health System  
Organizational Chart

# MultiCare – How We Are Organized and Conduct Business





# MultiCare Health System “Doing Business As”

Unless specifically noted, these DBAs operate within the MHS corporate entity as either divisions, programs or services of MultiCare.

## Region

## Networks

### Puget Sound Region

#### HOSPITALS

Auburn Medical Center  
Covington Medical Center  
Good Samaritan Hospital/Off  
Campus Emergency Departments  
(OCEDs)  
Tacoma General/  
Allenmore Hospitals/OCED  
Capital Medical Center

#### CLINICS

Gig Harbor Multi-specialty Medical  
Center  
Primary Care & Specialty Care  
Clinics  
MultiCare Medical Associates

#### OTHER

New Adventures Daycare

### Inland Northwest Region

Deaconess Hospital/North Deaconess  
OCED  
Valley Hospital  
Rockwood Clinic

## Systemwide

Institute for Research & Innovation  
MultiCare Capital Partners

### Retail/Community

Indigo Urgent Care  
Dispatch Health  
Labs Northwest  
Virtual Health  
Occupational Health  
Home Health & Hospice  
Adult Day Health  
System Pharmacy

**Pulse Heart Institute\***

### Mary Bridge

Mary Bridge Children’s Hospital Health  
Network  
ABC Pediatrics by Mary Bridge  
Woodcreek Pediatrics by Mary Bridge  
Treehouse

### Behavioral Health

Good Samaritan Behavioral Health  
Navos\*  
Greater Lakes Mental Healthcare\*

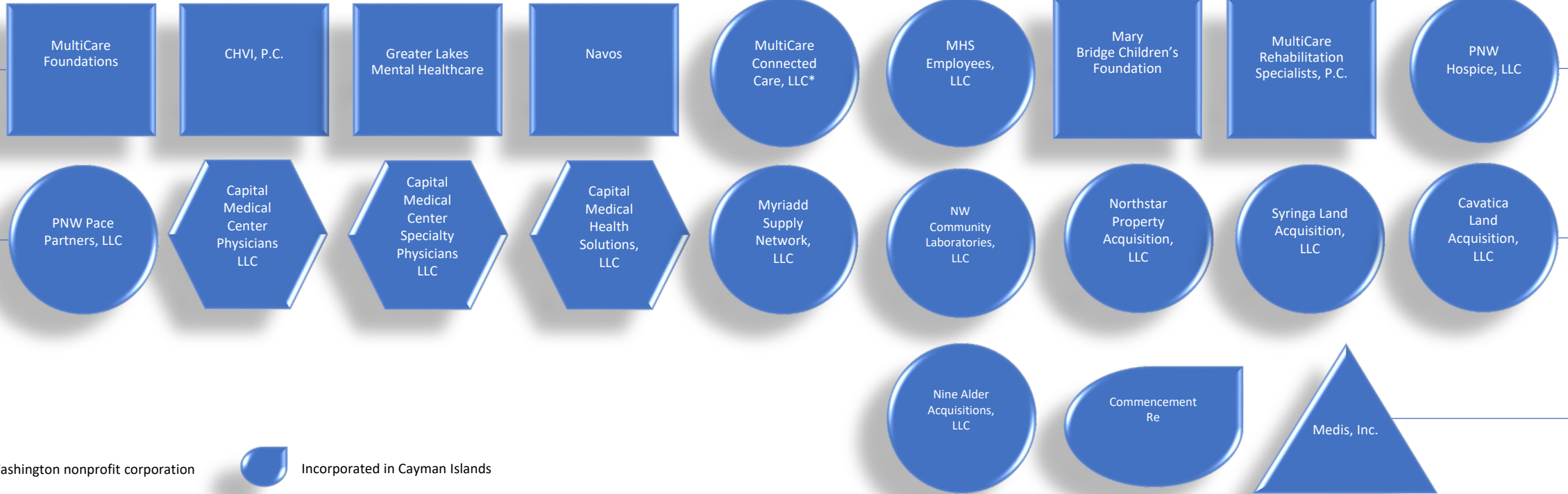
### Population Health






MultiCare Connected Care, LLC\*  
Physicians of Southwest Washington, LLC\*  
PNW CIN, LLC\* d/b/a Embright

\* Operates through separate legal entity 48

# MultiCare Health System wholly owned subsidiaries

MultiCare Health System,  
a tax-exempt Washington Nonprofit Corporation



-  Washington nonprofit corporation
-  Washington limited liability company
-  Delaware limited liability company
-  Washington corporation
-  Incorporated in Cayman Islands

# Exhibit 2

## Letter of Intent



MultiCare Health System

820 A Street, Tacoma, WA 98402

PO Box 5299, Tacoma, WA 98415-0299 – multicare.org

July 8, 2022

## 07/08/2022 LOI Received

Eric Hernandez, Manager  
Washington State Department of Health  
Certificate of Need Program  
111 Israel Road S.E.  
Tumwater, WA 98501

Dear Mr. Hernandez:

In accordance with WAC 246-310-080, MultiCare Health System hereby submits this letter of intent to apply for a certificate of need to add 160 acute care beds to MultiCare Good Samaritan Hospital, in Pierce County. In conformance with WAC, the following information is provided:

1. A Description of the Extent of Services Proposed:  
MultiCare Health System proposes to add 160 acute care beds to MultiCare Good Samaritan Hospital
2. Estimated Cost of the Proposed Project:  
The estimated capital cost of the project is \$404,000,000
3. Description of the Service Area:  
Per WAC 246-310-270(3), the primary service area is the East Pierce Planning Area.

Please submit any notices, correspondence, communications and documents to:

Erin Kobberstad, VP, Strategic Planning  
MultiCare Health System  
P.O. Box 5299, Mailstop: 820-4-SBD  
Tacoma, WA 98414  
[ekobberstad@multicare.org](mailto:ekobberstad@multicare.org)

Frank Fox, PhD  
HealthTrends  
206.366.1550  
[frankgfox@comcast.net](mailto:frankgfox@comcast.net)

Thank you,

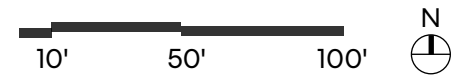
Erin Kobberstad, Vice President, Strategic Planning  
MultiCare Health System

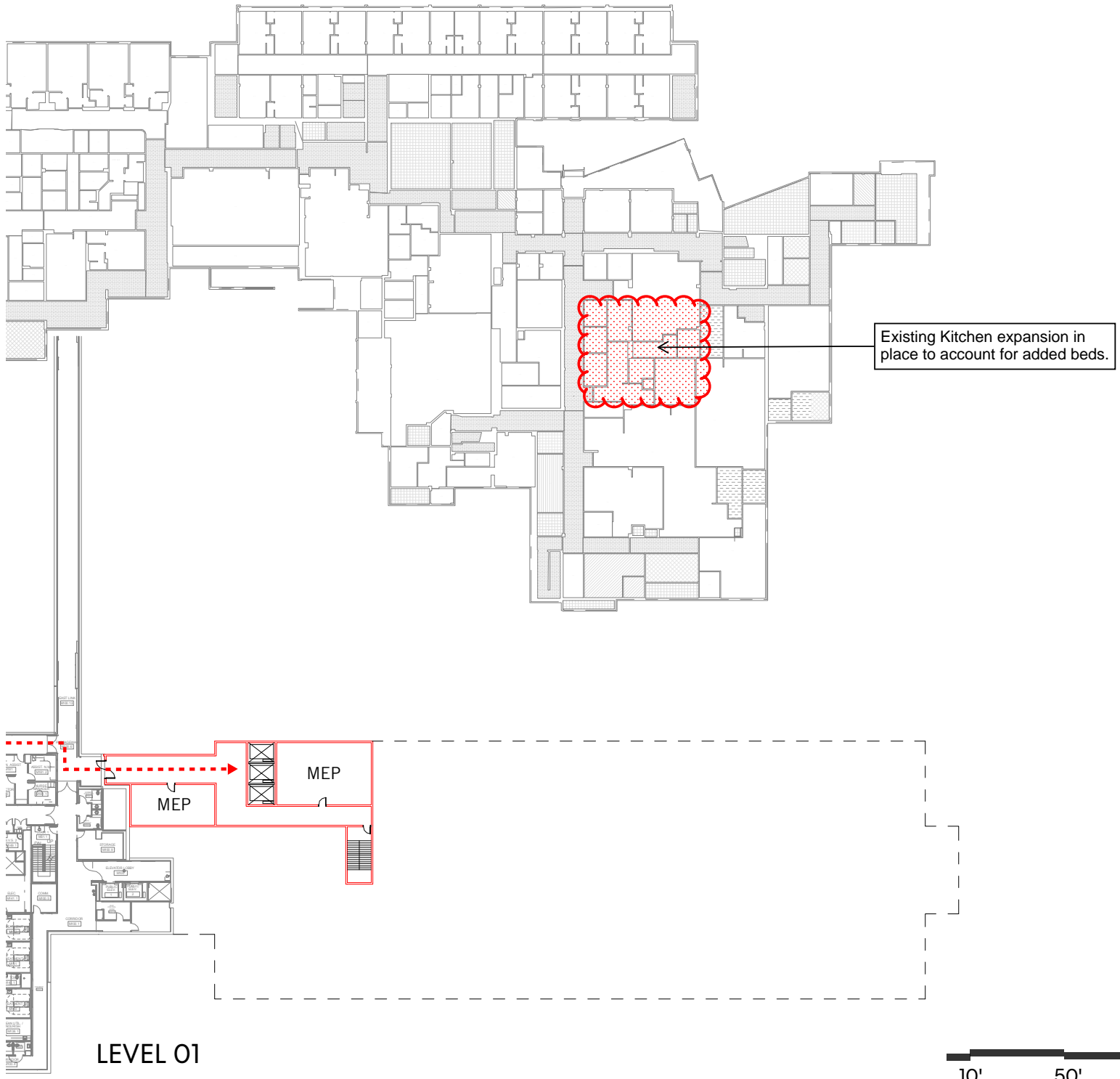
# Exhibit 3

## Single-Line Drawings



LEVEL A

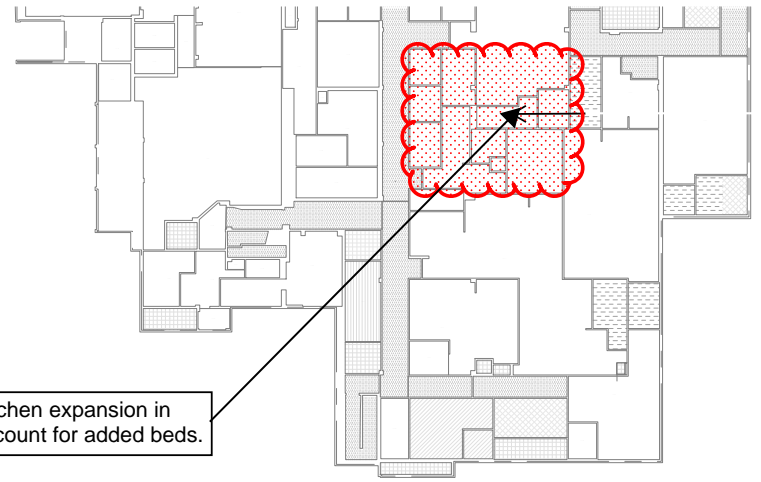




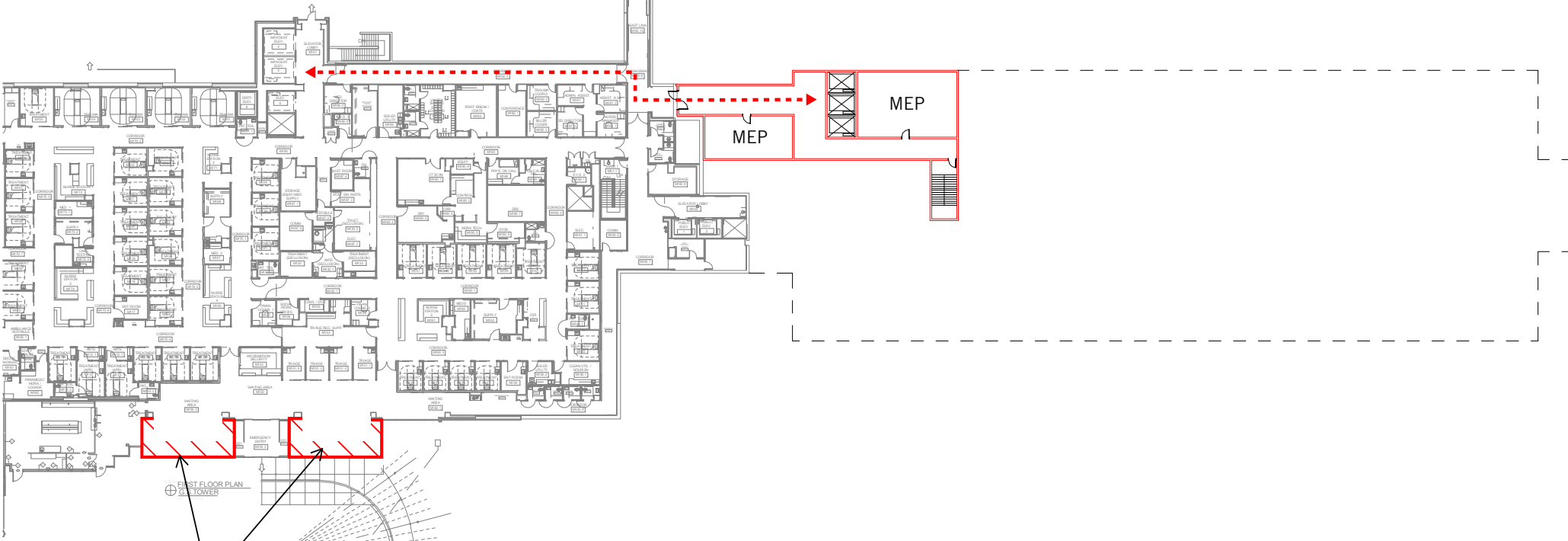
Existing Kitchen expansion in place to account for added beds.

LEVEL 01



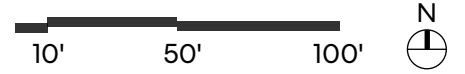


Existing Kitchen expansion in place to account for added beds.

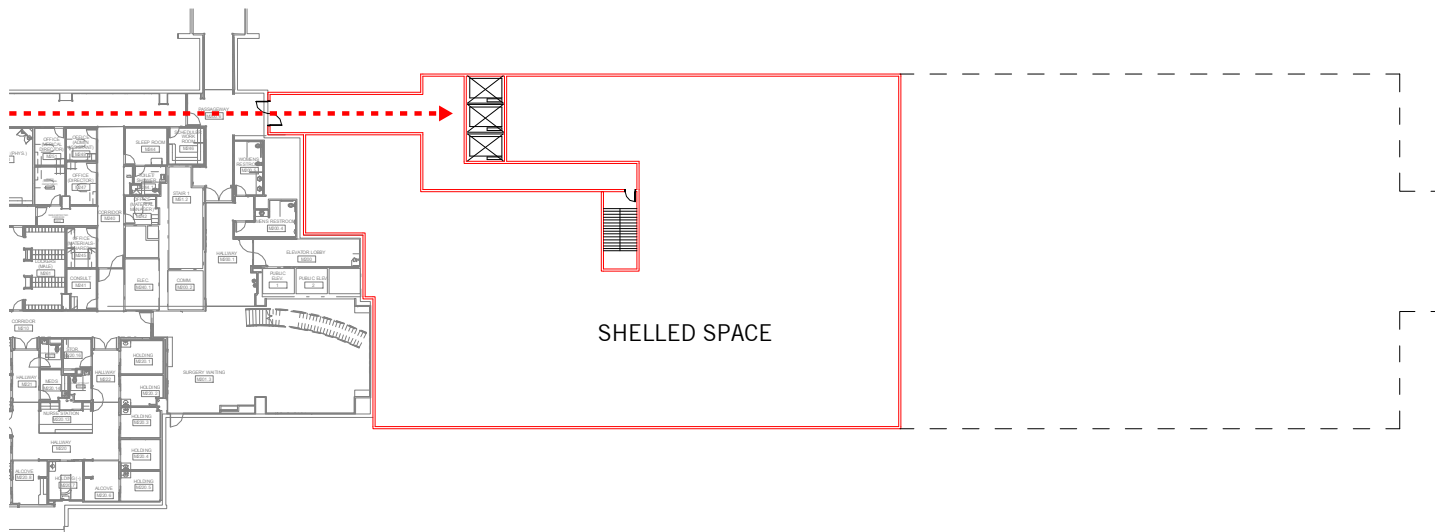


Future ED waiting expansion

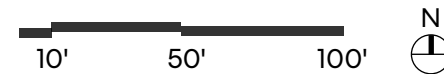
LEVEL 01 - ED ADDITION ALTERNATE

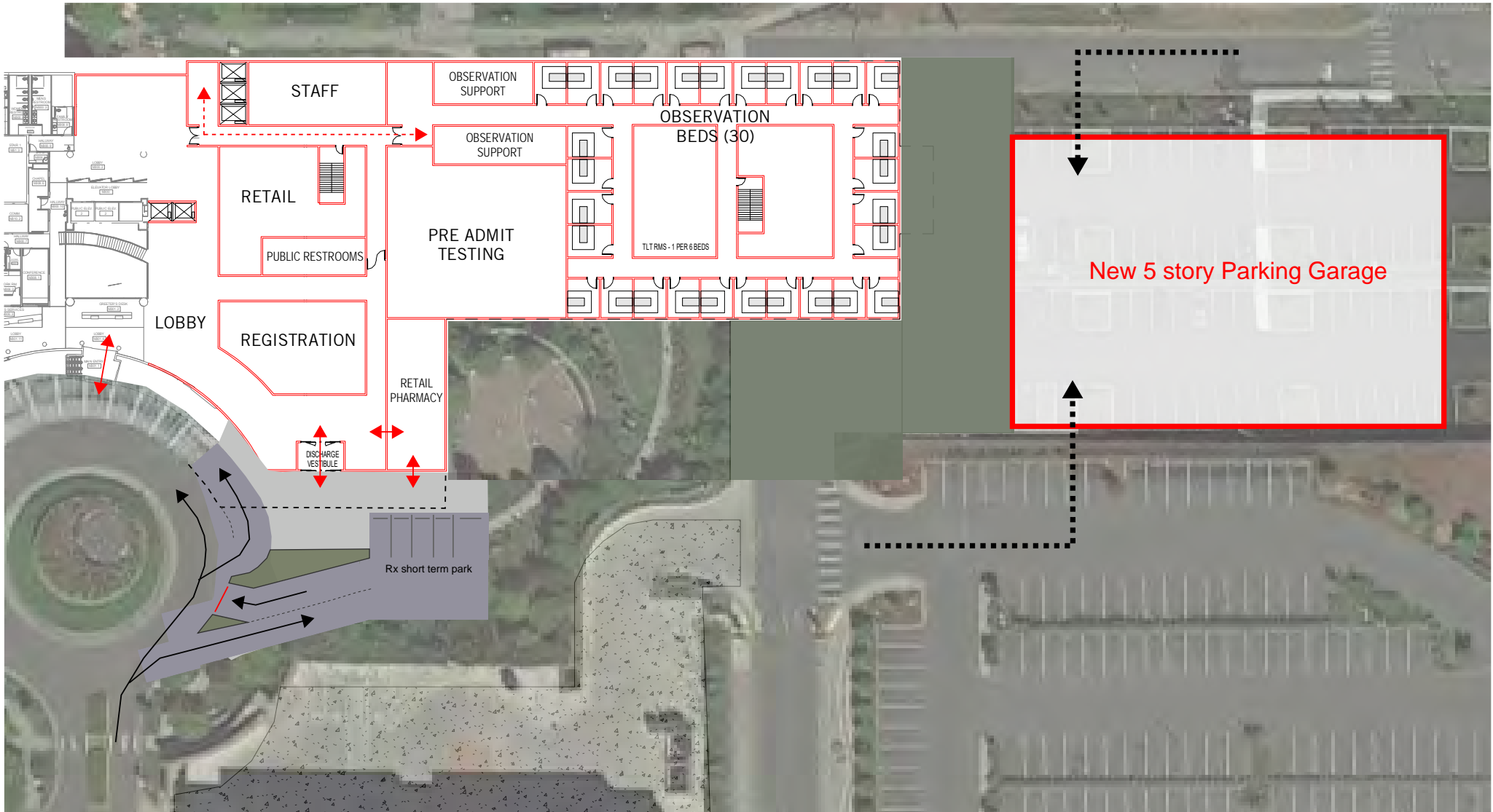




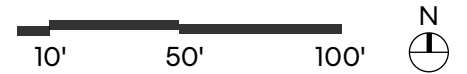


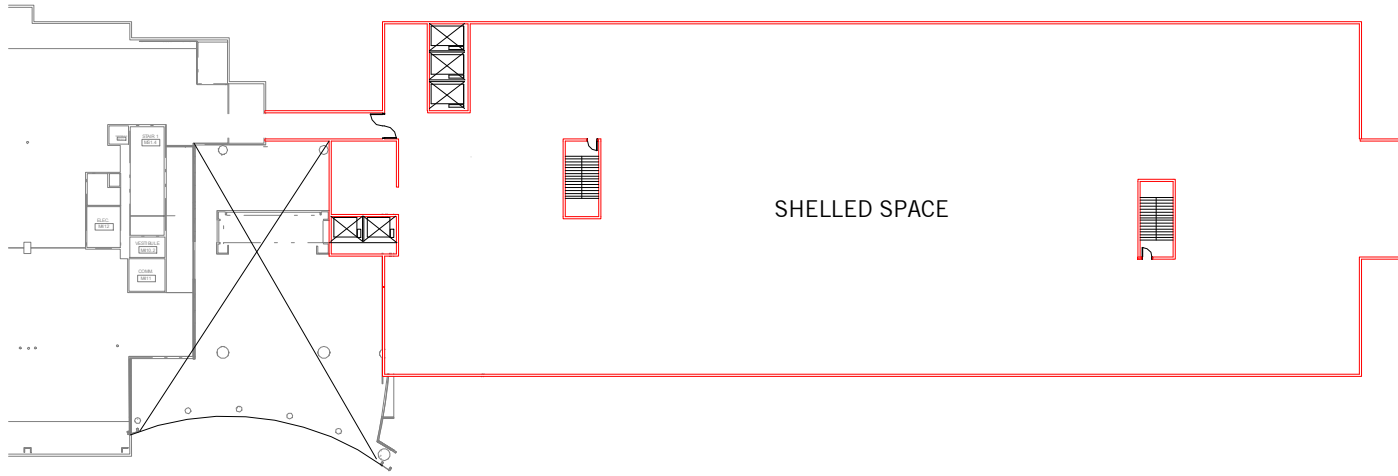
LEVEL 02



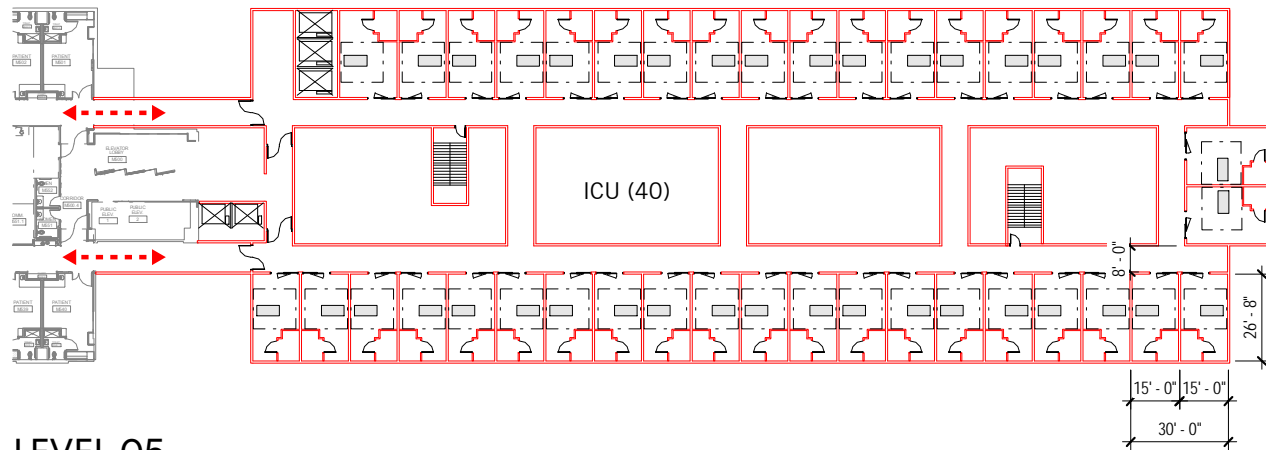


LEVEL 03

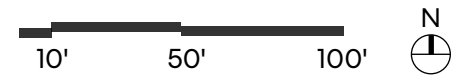


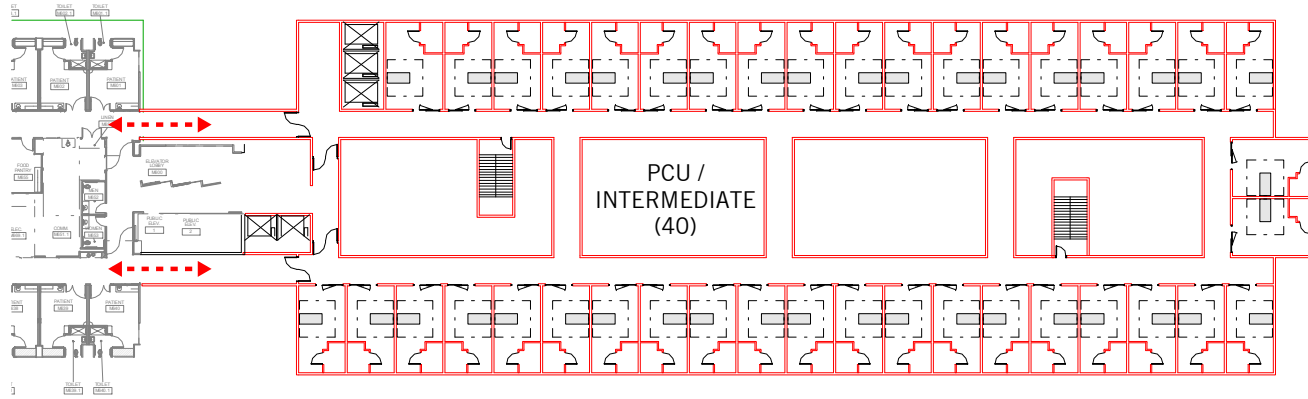


LEVEL 04

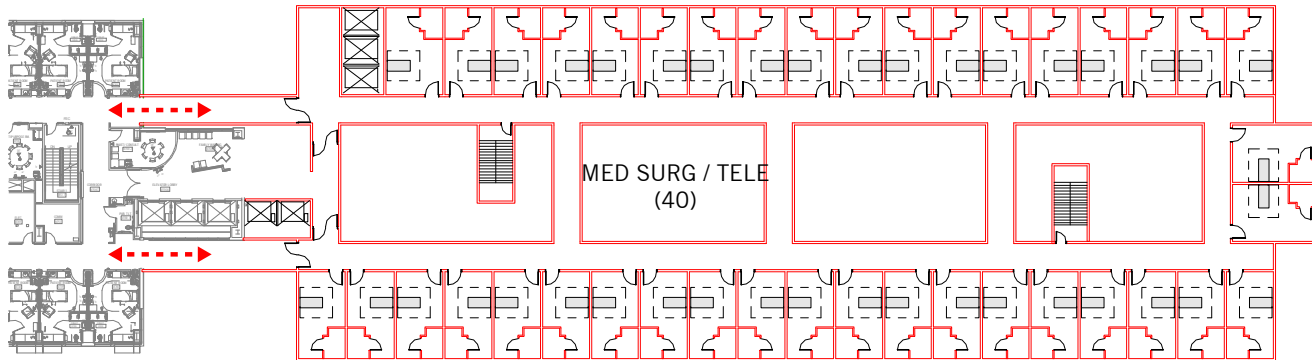


LEVEL 05

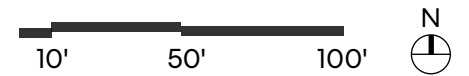


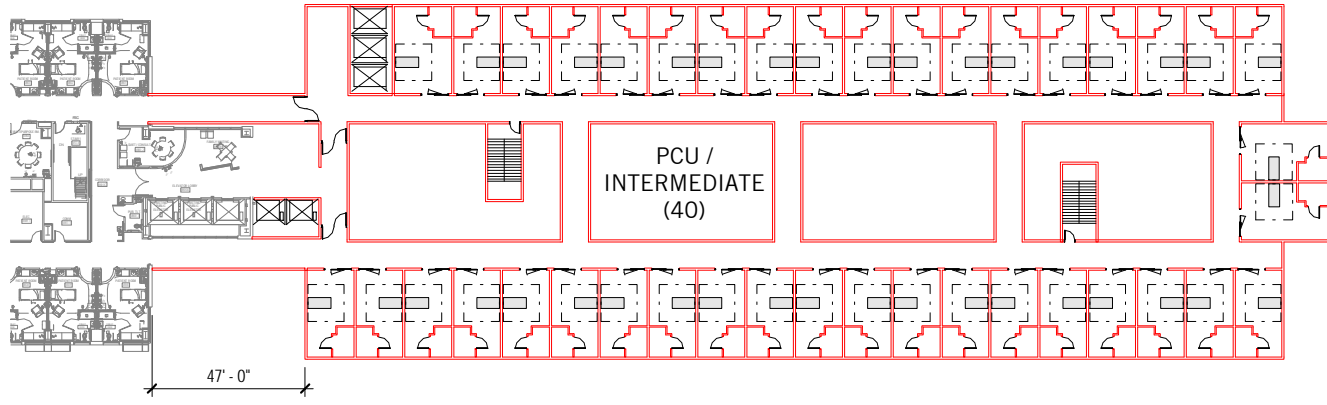


LEVEL 06

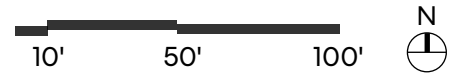


LEVEL 07





LEVEL 08



# Exhibit 4

## East Pierce Numeric Need Methodology

**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 1**

**TOTAL NUMBER OF RESIDENT PATIENT DAYS**

*Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRGs 945 and 946 (Rehab) and All WA State Rehab Providers*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Annual Growth Rate
<b>HSA #1</b>	1,277,161	1,298,941	1,338,974	1,406,160	1,431,915	1,475,093	1,505,709	1,510,476	1,453,208	1,565,368	2.29%
<b>East Pierce</b>	93,380	96,077	94,064	97,261	101,613	107,426	108,446	116,634	107,114	124,000	3.20%
<b>STATEWIDE TOTAL</b>	2,045,125	2,059,626	2,108,317	2,205,669	2,255,396	2,323,842	2,363,587	2,390,286	2,296,107	2,496,064	2.24%

Source: CHARS 2012-2021

\*Note: Does not include out-migration to other states

**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 2**

**TOTAL NUMBER OF PATIENT DAYS**

*Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRG 945 and 946 (Rehab) and All WA State Rehab Providers*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>HSA #1</b>	1,277,161	1,298,941	1,338,974	1,406,160	1,431,915	1,475,093	1,505,709	1,510,476	1,453,208	1,565,368
<b>East Pierce</b>	93,380	96,077	94,064	97,261	101,613	107,426	108,446	116,634	107,114	124,000
<b>STATEWIDE TOTAL</b>	2,045,125	2,059,626	2,108,317	2,205,669	2,255,396	2,323,842	2,363,587	2,390,286	2,296,107	2,496,064

**TOTAL NUMBER OF PSYCHIATRIC PATIENT DAYS**

*In Psychiatric Hospitals. 'Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRG 945 and 946 (Rehab)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>HSA #1</b>	2,911	3,104	9,823	16,266	15,139	16,250	16,704	17,969	10,952	9,428
<b>East Pierce</b>	89	188	880	1,160	1,176	1,135	1,154	1,075	569	645
<b>STATEWIDE TOTAL</b>	3,202	3,462	11,223	18,464	17,802	20,162	20,731	23,399	17,776	17,618

**TOTAL NUMBER OF PATIENT DAYS MINUS PSYCH DAYS**

*Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRG 945 and 946 (Rehab) and days in Psychiatric Hospitals and All WA State Rehab Providers*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>HSA #1</b>	1,274,250	1,295,837	1,329,151	1,389,894	1,416,776	1,458,843	1,489,005	1,492,507	1,442,256	1,555,940
<b>East Pierce</b>	93,291	95,889	93,184	96,101	100,437	106,291	107,292	115,559	106,545	123,355
<b>STATEWIDE TOTAL</b>	2,041,923	2,056,164	2,097,094	2,187,205	2,237,594	2,303,680	2,342,856	2,366,887	2,278,331	2,478,446

Source: CHARS 2012-2021

\*Note: Does not include out-migration to other states



**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 3**

**TOTAL NUMBER OF PATIENT DAYS MINUS PSYCH DAYS**

*Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRG 945 and 946 (Rehab) and days in Psychiatric Hospitals and and All WA State Rehab Providers*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Annual Growth Rate
<b>HSA #1</b>	1,274,250	1,295,837	1,329,151	1,389,894	1,416,776	1,458,843	1,489,005	1,492,507	1,442,256	1,555,940	2.24%
<b>East Pierce</b>	93,291	95,889	93,184	96,101	100,437	106,291	107,292	115,559	106,545	123,355	3.15%
<b>STATEWIDE TOTAL</b>	2,041,923	2,056,164	2,097,094	2,187,205	2,237,594	2,303,680	2,342,856	2,366,887	2,278,331	2,478,446	2.18%

**TOTAL POPULATIONS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Annual Growth Rate
<b>HSA #1</b>	4,261,500	4,303,625	4,361,850	4,429,440	4,523,580	4,612,100	4,688,920	4,767,780	4,834,480	4,902,850	1.57%
<b>East Pierce</b>	287,263	291,868	296,586	301,420	306,376	311,458	316,670	322,018	327,507	333,142	1.66%
<b>STATEWIDE TOTAL</b>	6,826,826	6,896,112	6,986,681	7,084,858	7,212,325	7,344,285	7,467,033	7,591,516	7,707,047	7,766,975	1.44%

**USE RATE PER 1,000**

*Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRG 945 and 946 (Rehab) and days in Psychiatric Hospitals and and All WA State Rehab Providers*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Annual Growth Rate
<b>HSA #1</b>	299.0	301.1	304.7	313.8	313.2	316.3	317.6	313.0	298.3	317.4	0.66%
<b>East Pierce</b>	324.8	328.5	314.2	318.8	327.8	341.3	338.8	358.9	325.3	370.3	1.47%
<b>STATEWIDE TOTAL</b>	299.1	298.2	300.2	308.7	310.2	313.7	313.8	311.8	295.6	319.1	0.72%

Sources:

CHARS 2012-2021

OFM SADE 2012-2021

OFM Forecast of the State Population by Age and Sex (November 2021)

Claritas 2021

\*Note: Does not include out-migration to other states

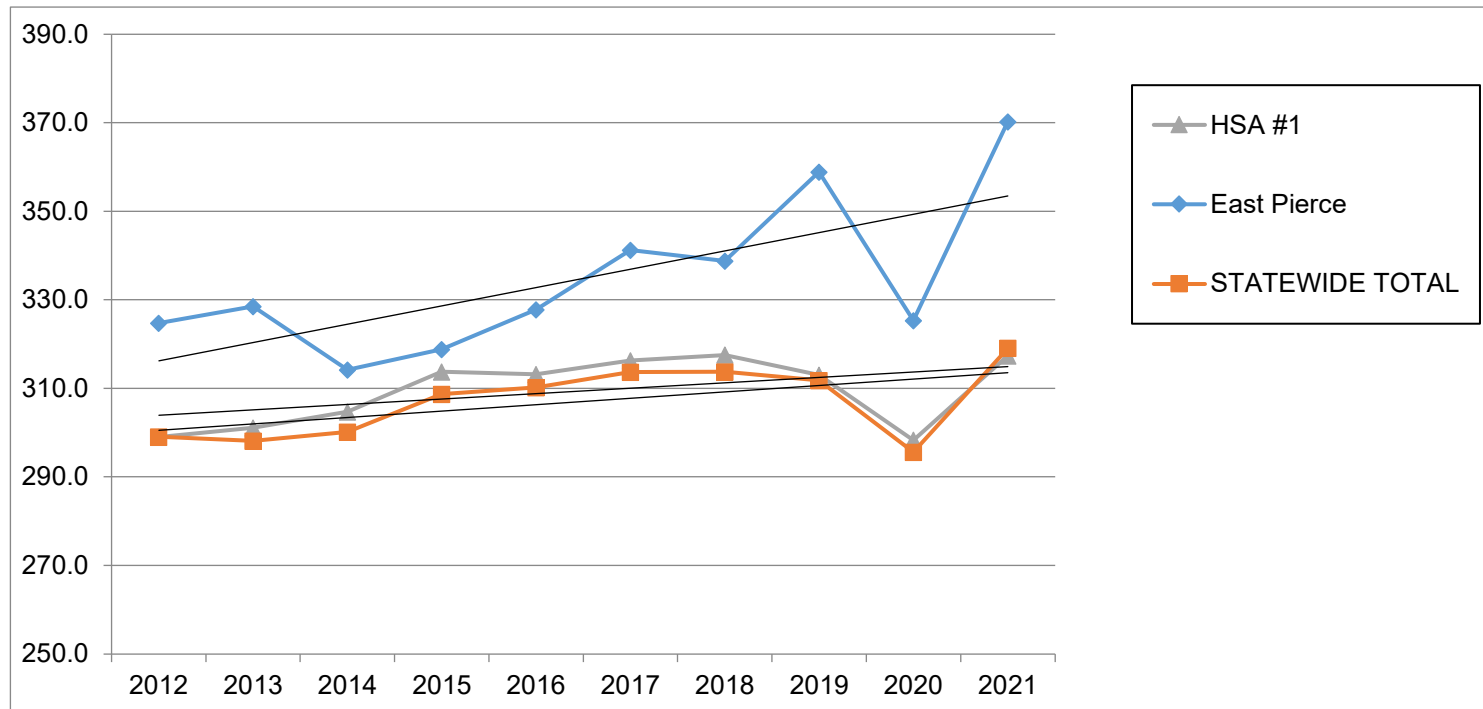
**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 4**

**USE RATE PER 1,000**

*Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRG 945 and 946 (Rehab) and days in Psychiatric Hospitals and All WA State Rehab Providers*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Slope
<b>HSA #1</b>	299.0	301.1	304.7	313.8	313.2	316.3	317.6	313.0	298.3	317.4	1.222
<b>East Pierce</b>	324.8	328.5	314.2	318.8	327.8	341.3	338.8	358.9	325.3	370.3	4.145
<b>STATEWIDE TOTAL</b>	299.1	298.2	300.2	308.7	310.2	313.7	313.8	311.8	295.6	319.1	1.447

Trend Adjustment Selection	Slope
HSA #1	1.222



\*Note: Does not include out-migration to other states

**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 5**

**STEP #5**  
**2021 DATA**

	Total Patient Days	Out of State Residents	WA Residents	Out of State as % of WA Residents
<b>TO Planning Area Hospitals</b>				
0-64	49,343	327	49,016	0.67%
65+	52,674	311	52,363	0.59%
<b>TOTAL</b>	<b>102,017</b>	<b>638</b>	<b>101,379</b>	<b>0.63%</b>
<b>TO Other WA Hospitals</b>				
0-64	1,300,923	62,021	1,238,902	5.01%
65+	1,199,723	43,940	1,155,783	3.80%
<b>TOTAL</b>	<b>2,500,646</b>	<b>105,961</b>	<b>2,394,685</b>	<b>4.42%</b>
<b>Total patient days to WA Hospitals</b>	<b>2,602,663</b>	<b>106,599</b>	<b>2,496,064</b>	<b>4.27%</b>

	TO Planning Area Hospitals	TO Other WA Hospitals	Days in Oregon hospitals	Total Days for Residents
<b>Planning Area Residents</b>				
0-64	28,631	37,214	256	66,101
65+	35,922	22,233	73	58,228
<b>TOTAL</b>	<b>64,553</b>	<b>59,447</b>	<b>329</b>	<b>124,329</b>
<b>Other WA Residents</b>				
0-64	20,385	1,201,688	35,649	1,257,722
65+	16,441	1,133,550	21,661	1,171,652
<b>TOTAL</b>	<b>36,826</b>	<b>2,335,238</b>	<b>57,310</b>	<b>2,429,374</b>
<b>Totals:</b>	<b>101,379</b>	<b>2,394,685</b>	<b>57,639</b>	<b>2,553,703</b>

WA Source: CHARS 2021 Excludes MDC 19 (Psych), DRGs 789-795 (Neonates) and DRG 945 and 946 (Rehab) and All WA State Rehab Providers; Claritas 2021

Oregon Source: Oregon Hospital Discharge Data 2015, excludes DRGs 876 and 880-887 (Psych), DRGs 789-795 (Neonates), and DRGs 945 and 946 (Rehab)

Planning Area Hospital Definition:

Includes MultiCare Good Samaritan

**MARKET SHARE**  
**PERCENTAGE OF PATIENT DAYS**

	TO Planning Area Hospitals	TO Other WA Hospitals	To Oregon Hospitals
<b>% OF Planning Area Residents</b>			
0-64	43.31%	56.30%	0.39%
65+	61.69%	38.18%	0.13%
<b>TOTAL</b>	<b>51.92%</b>	<b>47.81%</b>	<b>0.26%</b>
<b>% OF Other WA Residents</b>			
0-64	1.62%	95.54%	2.83%
65+	1.40%	96.75%	1.85%
<b>TOTAL</b>	<b>1.52%</b>	<b>96.13%</b>	<b>2.36%</b>

**2021 POPULATIONS BY Planning Area**

	Planning Area	Other WA Areas	Total Pop WA
0-64	284,874	6,138,001	6,422,875
65+	48,268	1,295,832	1,344,100
<b>TOTAL</b>	<b>333,142</b>	<b>7,433,833</b>	<b>7,766,975</b>

**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 6**

**2021 Data**

USE RATE BY PLANNING AREA (defined as age specific inpatient days per 1,000 population)

	<b>East Pierce</b>	<b>Other WA Areas</b>
<b>USE RATES</b>		
0-64	232.04	204.91
65+	1,206.35	904.17

**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 7**

USE RATE BY Planning Area FROM STEP 6

Step 4 Trend Adjustment	Slope
HSA #1	1.222

\*State Health Plan specifies projected by applying either the HSA trend or Statewide trend, whichever trend would result in the smaller adjustment

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>Planning Area</b>																
PROJECTED USE RATES*																
0-64 With Trend Adjustment	232.04	233.26	234.48	235.70	236.92	238.15	239.37	240.59	241.81	243.03	244.26	245.48	246.70	247.92	249.14	250.37
65+ With Trend Adjustment	1,206.35	1,207.57	1,208.79	1,210.01	1,211.24	1,212.46	1,213.68	1,214.90	1,216.12	1,217.35	1,218.57	1,219.79	1,221.01	1,222.23	1,223.46	1,224.68
<b>Other WA Areas</b>																
PROJECTED USE RATES*																
0-64 With Trend Adjustment	204.91	206.13	207.35	208.57	209.80	211.02	212.24	213.46	214.68	215.91	217.13	218.35	219.57	220.79	222.02	223.24
65+ With Trend Adjustment	904.17	905.39	906.61	907.84	909.06	910.28	911.50	912.72	913.95	915.17	916.39	917.61	918.83	920.06	921.28	922.50

**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 8**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>Planning Area</b>																
<i>(using Trend slope from Step 4 for future year adjustments)</i>																
<b>USE RATES</b>																
0-64	232.04	233.26	234.48	235.70	236.92	238.15	239.37	240.59	241.81	243.03	244.26	245.48	246.70	247.92	249.14	250.37
65+	1,206.35	1,207.57	1,208.79	1,210.01	1,211.24	1,212.46	1,213.68	1,214.90	1,216.12	1,217.35	1,218.57	1,219.79	1,221.01	1,222.23	1,223.46	1,224.68
<b>PROJECTED POPULATION</b>																
0-64	284,874	287,295	289,737	292,199	294,683	297,187	299,713	302,260	304,829	307,419	310,032	312,667	315,324	318,004	320,707	323,433
65+	48,268	50,468	52,769	55,174	57,689	60,319	63,069	65,944	68,949	72,092	75,379	78,815	82,408	86,164	90,092	94,198
<b>TOTALS</b>	<b>333,142</b>	<b>337,763</b>	<b>342,506</b>	<b>347,373</b>	<b>352,372</b>	<b>357,506</b>	<b>362,781</b>	<b>368,203</b>	<b>373,778</b>	<b>379,512</b>	<b>385,411</b>	<b>391,482</b>	<b>397,732</b>	<b>404,168</b>	<b>410,799</b>	<b>417,631</b>
<b>PROJECTED # OF PATIENT DAYS for Planning Area Residents</b>																
0-64	66,101	67,014	67,937	68,872	69,817	70,774	71,742	72,721	73,711	74,714	75,727	76,753	77,791	78,841	79,903	80,977
65+	58,228	60,944	63,787	66,762	69,875	73,134	76,545	80,115	83,851	87,762	91,854	96,138	100,621	105,313	110,223	115,363
<b>TOTALS</b>	<b>124,329</b>	<b>127,958</b>	<b>131,724</b>	<b>135,634</b>	<b>139,693</b>	<b>143,908</b>	<b>148,287</b>	<b>152,836</b>	<b>157,563</b>	<b>162,475</b>	<b>167,582</b>	<b>172,891</b>	<b>178,411</b>	<b>184,153</b>	<b>190,126</b>	<b>196,340</b>

Source:  
Claritas 2021

**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 9**

**9 A--Resident Day Calculations**

<i>Planning Area Days</i>	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
0-64	66,101	67,014	67,937	68,872	69,817	70,774	71,742	72,721	73,711	74,714	75,727	76,753	77,791	78,841	79,903	80,977
65+	58,228	60,944	63,787	66,762	69,875	73,134	76,545	80,115	83,851	87,762	91,854	96,138	100,621	105,313	110,223	115,363
<b>TOTALS</b>	<b>124,329</b>	<b>127,958</b>	<b>131,724</b>	<b>135,634</b>	<b>139,693</b>	<b>143,908</b>	<b>148,287</b>	<b>152,836</b>	<b>157,563</b>	<b>162,475</b>	<b>167,582</b>	<b>172,891</b>	<b>178,411</b>	<b>184,153</b>	<b>190,126</b>	<b>196,340</b>
<i>Planning Area Population</i>																
0-64	284,874	287,295	289,737	292,199	294,683	297,187	299,713	302,260	304,829	307,419	310,032	312,667	315,324	318,004	320,707	323,433
65+	48,268	50,468	52,769	55,174	57,689	60,319	63,069	65,944	68,949	72,092	75,379	78,815	82,408	86,164	90,092	94,198
<b>TOTALS</b>	<b>333,142</b>	<b>337,763</b>	<b>342,506</b>	<b>347,373</b>	<b>352,372</b>	<b>357,506</b>	<b>362,781</b>	<b>368,203</b>	<b>373,778</b>	<b>379,512</b>	<b>385,411</b>	<b>391,482</b>	<b>397,732</b>	<b>404,168</b>	<b>410,799</b>	<b>417,631</b>
<i>WA Population (OFM Forecast)</i>																
0-64	6,422,875	6,437,280	6,454,206	6,474,421	6,493,156	6,513,905	6,538,363	6,563,859	6,592,949	6,624,914	6,664,511	6,706,482	6,747,962	6,787,592	6,821,938	6,858,451
65+	1,344,100	1,390,868	1,444,840	1,495,881	1,548,587	1,599,231	1,646,389	1,692,548	1,734,915	1,774,188	1,805,577	1,834,403	1,863,059	1,893,006	1,927,881	1,960,252
<b>TOTALS</b>	<b>7,766,975</b>	<b>7,828,148</b>	<b>7,899,046</b>	<b>7,970,302</b>	<b>8,041,743</b>	<b>8,113,136</b>	<b>8,184,752</b>	<b>8,256,407</b>	<b>8,327,864</b>	<b>8,399,102</b>	<b>8,470,088</b>	<b>8,540,885</b>	<b>8,611,021</b>	<b>8,680,598</b>	<b>8,749,819</b>	<b>8,818,703</b>
<i>Other WA Areas Population</i>																
0-64	6,138,001	6,149,985	6,164,469	6,182,222	6,198,473	6,216,718	6,238,650	6,261,599	6,288,120	6,317,495	6,354,479	6,393,815	6,432,638	6,469,588	6,501,231	6,535,018
65+	1,295,832	1,340,400	1,392,071	1,440,707	1,490,898	1,538,912	1,583,320	1,626,604	1,665,966	1,702,096	1,730,198	1,755,588	1,780,651	1,806,842	1,837,789	1,866,054
<b>TOTALS</b>	<b>7,433,833</b>	<b>7,490,385</b>	<b>7,556,540</b>	<b>7,622,929</b>	<b>7,689,371</b>	<b>7,755,630</b>	<b>7,821,971</b>	<b>7,888,204</b>	<b>7,954,086</b>	<b>8,019,590</b>	<b>8,084,677</b>	<b>8,149,403</b>	<b>8,213,289</b>	<b>8,276,430</b>	<b>8,339,020</b>	<b>8,401,072</b>
<i>Other WA Areas Use Rate, based on the same trend adjustment used for the Planning Area (Step 4)</i>																
0-64	204.9	206.1	207.4	208.6	209.8	211.0	212.2	213.5	214.7	215.9	217.1	218.4	219.6	220.8	222.0	223.2
65+	904.2	905.4	906.6	907.8	909.1	910.3	911.5	912.7	913.9	915.2	916.4	917.6	918.8	920.1	921.3	922.5
<i>Other WA Areas Patient Days</i>																
0-64	1,257,722	1,267,693	1,278,212	1,289,449	1,300,413	1,311,838	1,324,090	1,336,613	1,349,959	1,363,985	1,379,736	1,396,091	1,412,429	1,428,448	1,444,380	1,458,868
65+	1,171,652	1,213,587	1,262,071	1,307,925	1,355,312	1,400,841	1,443,200	1,484,641	1,522,603	1,557,704	1,585,537	1,610,950	1,636,124	1,662,397	1,693,116	1,721,436
<b>TOTALS</b>	<b>2,429,374</b>	<b>2,481,280</b>	<b>2,540,283</b>	<b>2,597,374</b>	<b>2,655,726</b>	<b>2,712,679</b>	<b>2,767,290</b>	<b>2,821,254</b>	<b>2,872,562</b>	<b>2,921,689</b>	<b>2,965,273</b>	<b>3,007,040</b>	<b>3,048,553</b>	<b>3,090,845</b>	<b>3,136,496</b>	<b>3,180,303</b>

**9B Market Shares--% Of Patient Days (From Step 5 C)**

	TO Planning Area	TO Other WA Hospitals	TO Oregon Hospitals
<b>% OF Planning Area Residents</b>			
0-64	43.31%	56.30%	0.39%
65+	61.69%	38.18%	0.13%
<b>% OF Other WA Residents</b>			
0-64	1.62%	95.54%	2.83%
65+	1.40%	96.75%	1.85%

East Pierce Planning Area Bed Need Methodology, CHARS 2021  
 Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers  
 Step 9

**9C Planning Area Resident  
 Patient Days to Planning Area  
 Providers**

<i>Planning Area Residents To Planning Area Providers</i>	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
0-64	28,631	29,026	29,426	29,831	30,241	30,655	31,074	31,498	31,927	32,361	32,801	33,245	33,694	34,149	34,609	35,074
65+	35,922	37,598	39,351	41,187	43,107	45,118	47,222	49,424	51,729	54,142	56,667	59,309	62,075	64,969	67,999	71,170
<b>TOTALS</b>	<b>64,553</b>	<b>66,624</b>	<b>68,778</b>	<b>71,018</b>	<b>73,348</b>	<b>75,773</b>	<b>78,296</b>	<b>80,923</b>	<b>83,657</b>	<b>86,503</b>	<b>89,467</b>	<b>92,554</b>	<b>95,769</b>	<b>99,118</b>	<b>102,608</b>	<b>106,244</b>
<i>Planning Area Residents To Other WA Providers</i>																
0-64	37,214	37,728	38,248	38,774	39,306	39,845	40,390	40,941	41,499	42,063	42,634	43,211	43,795	44,386	44,984	45,589
65+	22,233	23,270	24,355	25,491	26,680	27,925	29,227	30,590	32,017	33,510	35,072	36,708	38,420	40,211	42,086	44,049
<b>TOTALS</b>	<b>59,447</b>	<b>60,998</b>	<b>62,603</b>	<b>64,265</b>	<b>65,987</b>	<b>67,769</b>	<b>69,617</b>	<b>71,531</b>	<b>73,515</b>	<b>75,572</b>	<b>77,706</b>	<b>79,919</b>	<b>82,215</b>	<b>84,597</b>	<b>87,070</b>	<b>89,638</b>
<i>Planning Area Residents To Oregon Providers</i>																
0-64	256	260	263	267	270	274	278	282	285	289	293	297	301	305	309	314
65+	73	76	80	84	88	92	96	100	105	110	115	121	126	132	138	145
<b>TOTALS</b>	<b>329</b>	<b>336</b>	<b>343</b>	<b>350</b>	<b>358</b>	<b>366</b>	<b>374</b>	<b>382</b>	<b>391</b>	<b>399</b>	<b>408</b>	<b>418</b>	<b>427</b>	<b>437</b>	<b>448</b>	<b>458</b>

**9D Other WA Resident Patient  
 Days to Planning Area Providers**

<i>Other WA Residents To Planning Area Providers</i>	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
0-64	20,385	20,547	20,717	20,899	21,077	21,262	21,461	21,664	21,880	22,107	22,363	22,628	22,892	23,152	23,394	23,645
65+	16,441	17,029	17,710	18,353	19,018	19,657	20,251	20,833	21,366	21,858	22,249	22,605	22,959	23,327	23,758	24,156
<b>TOTALS</b>	<b>36,826</b>	<b>37,576</b>	<b>38,427</b>	<b>39,252</b>	<b>40,095</b>	<b>40,919</b>	<b>41,712</b>	<b>42,497</b>	<b>43,246</b>	<b>43,966</b>	<b>44,611</b>	<b>45,233</b>	<b>45,851</b>	<b>46,479</b>	<b>47,152</b>	<b>47,801</b>
<i>Other WA Residents To Other WA Providers</i>																
0-64	1,201,688	1,211,215	1,221,265	1,232,001	1,242,477	1,253,393	1,265,099	1,277,064	1,289,815	1,303,217	1,318,266	1,333,892	1,349,502	1,364,808	1,379,075	1,393,872
65+	1,133,550	1,174,121	1,221,029	1,265,392	1,311,238	1,355,286	1,396,267	1,436,361	1,473,088	1,507,048	1,533,976	1,558,562	1,582,917	1,608,336	1,638,056	1,665,455
<b>TOTALS</b>	<b>2,335,238</b>	<b>2,385,336</b>	<b>2,442,294</b>	<b>2,497,393</b>	<b>2,553,715</b>	<b>2,608,679</b>	<b>2,661,367</b>	<b>2,713,425</b>	<b>2,762,903</b>	<b>2,810,265</b>	<b>2,852,242</b>	<b>2,892,454</b>	<b>2,932,420</b>	<b>2,973,144</b>	<b>3,017,131</b>	<b>3,059,327</b>
<i>Other WA Residents To Oregon Providers</i>																
0-64	35,649	35,932	36,230	36,548	36,859	37,183	37,530	37,885	38,263	38,661	39,107	39,571	40,034	40,488	40,911	41,350
65+	21,661	22,436	23,333	24,180	25,056	25,898	26,681	27,447	28,149	28,798	29,313	29,783	30,248	30,734	31,302	31,825
<b>TOTALS</b>	<b>57,310</b>	<b>58,368</b>	<b>59,562</b>	<b>60,729</b>	<b>61,915</b>	<b>63,081</b>	<b>64,211</b>	<b>65,333</b>	<b>66,413</b>	<b>67,459</b>	<b>68,420</b>	<b>69,353</b>	<b>70,282</b>	<b>71,222</b>	<b>72,213</b>	<b>73,175</b>



**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 9**

**9E Total WA Resident Patient Days to Planning Area Providers**

Total WA Resident Days to Planning Area Providers	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
0-64	49,016	49,573	50,144	50,730	51,318	51,917	52,535	53,162	53,807	54,469	55,163	55,873	56,587	57,301	58,003	58,719
65+	52,363	54,627	57,061	59,540	62,126	64,775	67,474	70,257	73,095	76,000	78,915	81,915	85,033	88,297	91,757	95,325
<b>TOTALS</b>	<b>101,379</b>	<b>104,200</b>	<b>107,205</b>	<b>110,270</b>	<b>113,443</b>	<b>116,692</b>	<b>120,009</b>	<b>123,419</b>	<b>126,902</b>	<b>130,469</b>	<b>134,079</b>	<b>137,787</b>	<b>141,620</b>	<b>145,598</b>	<b>149,760</b>	<b>154,045</b>

*Total WA Resident Days to Other WA Providers*

0-64	1,238,902	1,248,943	1,259,513	1,270,775	1,281,783	1,293,238	1,305,489	1,318,005	1,331,314	1,345,280	1,360,900	1,377,103	1,393,298	1,409,194	1,424,059	1,439,461
65+	1,155,783	1,197,391	1,245,384	1,290,883	1,337,918	1,383,210	1,425,494	1,466,951	1,505,105	1,540,557	1,569,048	1,595,270	1,621,337	1,648,547	1,680,142	1,709,503
<b>TOTALS</b>	<b>2,394,685</b>	<b>2,446,334</b>	<b>2,504,897</b>	<b>2,561,658</b>	<b>2,619,702</b>	<b>2,676,448</b>	<b>2,730,983</b>	<b>2,784,956</b>	<b>2,836,419</b>	<b>2,885,837</b>	<b>2,929,948</b>	<b>2,972,373</b>	<b>3,014,635</b>	<b>3,057,741</b>	<b>3,104,201</b>	<b>3,148,965</b>

*Total WA Resident Days to OR Providers*

0-64	35,905	36,191	36,493	36,815	37,129	37,457	37,808	38,167	38,549	38,950	39,401	39,868	40,335	40,793	41,221	41,664
65+	21,734	22,513	23,413	24,264	25,144	25,990	26,777	27,548	28,254	28,908	29,428	29,903	30,374	30,866	31,440	31,970
<b>TOTALS</b>	<b>57,639</b>	<b>58,704</b>	<b>59,905</b>	<b>61,079</b>	<b>62,273</b>	<b>63,447</b>	<b>64,585</b>	<b>65,715</b>	<b>66,803</b>	<b>67,858</b>	<b>68,829</b>	<b>69,771</b>	<b>70,709</b>	<b>71,659</b>	<b>72,661</b>	<b>73,634</b>

**9F Total Patient Days Including out of State Residents**

% Out of State Resident Patient Days, 2021 (From Step 5A)	
<i>Planning Area</i>	
0-64	0.67%
65+	0.59%
<b>TOTALS</b>	<b>0.63%</b>
<i>Other Washington</i>	
0-64	5.01%
65+	3.80%
<b>TOTALS</b>	<b>4.42%</b>

Planning Area Provider Total Patient Days, Including Out of State Residents

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
0-64	49,343	49,904	50,478	51,069	51,660	52,264	52,885	53,517	54,166	54,832	55,531	56,245	56,964	57,683	58,390	59,111
65+	52,674	54,951	57,400	59,893	62,495	65,160	67,874	70,675	73,529	76,451	79,384	82,401	85,539	88,821	92,302	95,892
<b>TOTALS</b>	<b>102,017</b>	<b>104,855</b>	<b>107,878</b>	<b>110,962</b>	<b>114,155</b>	<b>117,423</b>	<b>120,760</b>	<b>124,191</b>	<b>127,696</b>	<b>131,284</b>	<b>134,915</b>	<b>138,646</b>	<b>142,503</b>	<b>146,505</b>	<b>150,692</b>	<b>155,003</b>

**East Pierce Planning Area Bed Need Methodology, CHARS 2021**  
**Excludes Psych (MDC 19), Neonates (DRGs 789-795), and Rehab (DRGs 945 and 946) and All WA State Rehab Providers**  
**Step 10 - Licensed**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Average Annual Growth									
<b>East Pierce Planning Area</b>	<b>Forecasts based on Step 4 trendline.</b>															<b>Year 7</b>										<b>Year 15</b>
Population 0-64 (1)	284,874	287,295	289,737	292,199	294,683	297,187	299,713	302,260	304,829	307,419	310,032	312,667	315,324	318,004	320,707	323,433	0.8%									
0-64 Use Rate (2)	232.04	233.26	234.48	235.70	236.92	238.15	239.37	240.59	241.81	243.03	244.26	245.48	246.70	247.92	249.14	250.37	0.5%									
Population 65+ (1)	48,268	50,468	52,769	55,174	57,689	60,319	63,069	65,944	68,949	72,092	75,379	78,815	82,408	86,164	90,092	94,198	4.6%									
65+ Use Rate (2)	1206.35	1207.57	1208.79	1210.01	1211.24	1212.46	1213.68	1214.90	1216.12	1217.35	1218.57	1219.79	1221.01	1222.23	1223.46	1224.68	0.1%									
Total Population	333,142	337,763	342,506	347,373	352,372	357,506	362,781	368,203	373,778	379,512	385,411	391,482	397,732	404,168	410,799	417,631	1.5%									
Total Planning Area Resident Days	124,329	127,958	131,724	135,634	139,693	143,908	148,287	152,836	157,563	162,475	167,582	172,891	178,411	184,153	190,126	196,340	3.1%									
Total Days in Planning Area Hospitals	102,017	104,855	107,878	110,962	114,155	117,423	120,760	124,191	127,696	131,284	134,915	138,646	142,503	146,505	150,692	155,003	2.8%									
<b>Available Beds (3)</b>																										
<i>MultiCare Good Samaritan Hospital</i>	316	316	316	316	316	316	316	316	316	316	316	316	316	316	316	316										
<b>TOTAL</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>	<b>316</b>										
Wtd Occ Std (4)	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%										
<b>Gross Bed Need (TPD/365/Occupancy)--Demand</b>	372.66	383.03	394.07	405.34	417.00	428.94	441.13	453.67	466.47	479.57	492.84	506.47	520.56	535.18	550.47	566.22	2.8%									
<b>Bed Supply</b>	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00	316.00										
<b>Net Bed Need/Surplus (Demand - Supply)</b>	<b>56.66</b>	<b>67.03</b>	<b>78.07</b>	<b>89.34</b>	<b>101.00</b>	<b>112.94</b>	<b>125.13</b>	<b>137.67</b>	<b>150.47</b>	<b>163.57</b>	<b>176.84</b>	<b>190.47</b>	<b>204.56</b>	<b>219.18</b>	<b>234.47</b>	<b>250.22</b>										

(1) Washington State projections - OFM Forecast of the State Population by Age and Sex (November 2021)

(2) Use Rate Data Source: 2021 CHARS. See Steps 5 & 6. Future use rates adjusted per slope trends from Step 4.

(3) Bed supply sources: CN #1586

(4) Weighted Occupancy: Calculated per 1987 Washington State Health Plan Vol. 2, p. 84 as the sum, across all hospitals in the planning area, of each hospital's occupancy rate times that hospital's percentage of total beds in the area.

# Exhibit 5

## Patient Origin Data

**MultiCare Good Samaritan Patient Origin Analysis  
Acute Care Discharges Only, CHARS 2021**

Zipcode	East Pierce PA	Discharges	Patient Days
98374	Yes	2055	10296
98391	Yes	1601	7609
98338	Yes	1317	7167
98372	Yes	1138	6376
98371	Yes	1151	5814
98375	Yes	1163	5618
98373	Yes	1144	5360
98360	Yes	712	3656
98390	Yes	593	2772
98321	Yes	438	2244
98328	Yes	475	2231
98446	Yes	419	2176
98580	Yes	288	1442
98354	Yes	124	672
98344	Yes	48	232
98385	Yes	42	228
98304	Yes	38	220
98558	Yes	42	220
98330	Yes	16	90
98323	Yes	20	76
98396	Yes	14	54
98387	No	1818	9603
98445	No	880	4441
98444	No	497	2887
98404	No	255	1428
98443	No	223	1210
98042	No	174	1123
98092	No	169	758
98002	No	118	710
98424	No	128	681
98022	No	108	660
98499	No	99	565
98001	No	68	548
98498	No	73	538
98405	No	70	447
98030	No	76	432
98408	No	82	427
98409	No	72	411
98597	No	103	402
98003	No	63	378
98520	No	45	351
98038	No	68	349
98023	No	48	280
98332	No	9	274
98466	No	46	248
98584	No	33	231

**MultiCare Good Samaritan Patient Origin Analysis  
Acute Care Discharges Only, CHARS 2021**

Zipcode	East Pierce PA	Discharges	Patient Days
98031	No	50	216
98047	No	38	211
98563	No	20	208
98448	No	25	190
98550	No	33	186
98502	No	22	175
98198	No	18	172
98402	No	20	172
98503	No	30	172
98355	No	33	171
98406	No	33	167
98032	No	40	162
98465	No	15	155
98512	No	12	125
98532	No	27	124
98418	No	31	119
98569	No	10	117
98058	No	32	113
98579	No	9	111
98407	No	24	109
98422	No	25	103
98188	No	6	101
98403	No	11	101
98586	No	6	99
98531	No	19	98
98419	No	3	95
98439	No	17	95
98513	No	18	95
98467	No	18	94
98144	No	3	86
98168	No	6	81
98366	No	4	81
98501	No	13	81
98577	No	11	79
98361	No	7	78
98564	No	5	75
98178	No	9	68
98576	No	22	67
98589	No	7	67
98507	No	4	61
98596	No	7	60
98541	No	13	59
98568	No	7	59
98010	No	11	56
98516	No	17	56
98823	No	2	55

**MultiCare Good Samaritan Patient Origin Analysis  
Acute Care Discharges Only, CHARS 2021**

Zipcode	East Pierce PA	Discharges	Patient Days
98335	No	12	54
22554	No	1	50
98327	No	9	50
98118	No	9	43
98388	No	6	43
98382	No	7	42
98148	No	6	41
98591	No	8	41
98055	No	8	40
98126	No	6	40
98051	No	8	39
98411	No	8	37
98640	No	4	34
98356	No	7	33
98547	No	5	33
98367	No	11	31
98837	No	1	31
98433	No	12	29
98442	No	5	28
98624	No	1	28
98057	No	3	27
98106	No	3	27
98071	No	8	26
98557	No	5	26
99301	No	2	26
98033	No	8	25
98273	No	1	25
98312	No	3	25
98506	No	4	25
98902	No	5	25
98108	No	2	24
98336	No	5	24
98363	No	4	24
98380	No	3	24
98522	No	2	24
98329	No	4	23
98571	No	2	23
83501	No	2	22
98063	No	5	22
98305	No	1	22
98264	No	1	21
98951	No	2	21
98201	No	4	20
98548	No	2	20
98595	No	3	20
99501	No	1	20

**MultiCare Good Samaritan Patient Origin Analysis  
Acute Care Discharges Only, CHARS 2021**

Zipcode	East Pierce PA	Discharges	Patient Days
83705	No	2	19
97423	No	2	19
98111	No	1	19
98496	No	6	19
99336	No	1	19
89123	No	1	18
98025	No	1	18
98136	No	4	18
32404	No	1	17
98012	No	4	17
98272	No	2	17
98359	No	4	17
98605	No	1	17
99344	No	1	17
98204	No	4	16
98417	No	3	16
98570	No	4	16
98587	No	4	16
98631	No	2	16
86413	No	2	14
98101	No	2	14
98235	No	3	14
98251	No	2	14
98533	No	1	13
98562	No	1	13
91107	No	2	12
92166	No	1	12
98037	No	3	12
98357	No	1	12
98464	No	3	12
98593	No	1	12
986	No	2	12
99004	No	2	12
74730	No	1	11
76262	No	2	11
97633	No	1	11
98064	No	3	11
98115	No	3	11
98166	No	5	11
98237	No	2	11
98349	No	4	11
98377	No	6	11
98421	No	3	11
95691	No	1	10
98004	No	2	10
98239	No	2	10

**MultiCare Good Samaritan Patient Origin Analysis  
Acute Care Discharges Only, CHARS 2021**

Zipcode	East Pierce PA	Discharges	Patient Days
98546	No	3	10
98926	No	2	10
99207	No	1	10
78634	No	1	9
89106	No	1	9
90036	No	1	9
98075	No	2	9
98401	No	3	9
98508	No	4	9
48763	No	1	8
72741	No	1	8
85373	No	1	8
93306	No	1	8
98026	No	1	8
98027	No	2	8
98346	No	1	8
98362	No	3	8
98540	No	1	8
98626	No	3	8
99337	No	1	8
99749	No	1	8
2356	No	1	7
75044	No	1	7
83703	No	1	7
93257	No	2	7
97402	No	1	7
97630	No	1	7
98020	No	1	7
98052	No	3	7
98203	No	2	7
98208	No	2	7
98274	No	1	7
98324	No	2	7
98527	No	1	7
98530	No	2	7
98565	No	1	7
98585	No	1	7
98592	No	1	7
98632	No	4	7
98922	No	2	7
99403	No	1	7
99611	No	4	7
33351	No	1	6
38133	No	1	6
603	No	1	6
71106	No	1	6



**MultiCare Good Samaritan Patient Origin Analysis  
Acute Care Discharges Only, CHARS 2021**

Zipcode	East Pierce PA	Discharges	Patient Days
85034	No	1	6
96797	No	1	6
98013	No	1	6
98045	No	1	6
98093	No	1	6
98177	No	2	6
98368	No	3	6
98490	No	1	6
98572	No	1	6
99037	No	1	6
27981	No	1	5
34491	No	1	5
43019	No	1	5
49503	No	1	5
59729	No	1	5
76115	No	1	5
80132	No	1	5
83835	No	1	5
84403	No	1	5
85201	No	1	5
90221	No	1	5
90806	No	1	5
95490	No	1	5
98056	No	3	5
98059	No	1	5
98146	No	2	5
98248	No	1	5
98282	No	1	5
98331	No	2	5
98333	No	3	5
98350	No	1	5
98370	No	2	5
98544	No	1	5
98801	No	2	5
98844	No	1	5
98930	No	3	5
98944	No	1	5
19510	No	1	4
27850	No	1	4
4743	No	1	4
59917	No	2	4
75758	No	1	4
83849	No	1	4
85249	No	1	4
85381	No	1	4
92562	No	1	4

**MultiCare Good Samaritan Patient Origin Analysis  
Acute Care Discharges Only, CHARS 2021**

Zipcode	East Pierce PA	Discharges	Patient Days
93950	No	1	4
95959	No	1	4
97038	No	1	4
98065	No	1	4
98133	No	1	4
98225	No	1	4
98270	No	2	4
98271	No	3	4
98395	No	1	4
98509	No	1	4
98537	No	1	4
99025	No	1	4
99123	No	1	4
99185	No	1	4
99202	No	1	4
99504	No	1	4
29651	No	1	3
38863	No	1	3
74114	No	1	3
78245	No	1	3
81623	No	1	3
85123	No	1	3
85248	No	1	3
85282	No	1	3
85283	No	1	3
85395	No	1	3
93711	No	1	3
95628	No	1	3
95670	No	1	3
97223	No	1	3
98074	No	1	3
98116	No	2	3
98247	No	1	3
98275	No	1	3
98296	No	1	3
98528	No	2	3
98611	No	1	3
98846	No	1	3
99031	No	1	3
99353	No	1	3
18360	No	1	2
33166	No	1	2
34442	No	1	2
35216	No	1	2
39744	No	1	2
59034	No	1	2

**MultiCare Good Samaritan Patient Origin Analysis  
Acute Care Discharges Only, CHARS 2021**

Zipcode	East Pierce PA	Discharges	Patient Days
70129	No	1	2
71241	No	1	2
76502	No	1	2
78233	No	1	2
78254	No	1	2
83607	No	1	2
83843	No	1	2
85132	No	1	2
89081	No	1	2
90815	No	1	2
93637	No	1	2
95125	No	1	2
97051	No	1	2
97146	No	1	2
97322	No	1	2
97701	No	1	2
97838	No	1	2
98005	No	1	2
98034	No	1	2
98125	No	1	2
98230	No	1	2
98303	No	2	2
98325	No	1	2
98383	No	1	2
98581	No	1	2
98664	No	1	2
98682	No	1	2
98812	No	1	2
98858	No	1	2
99117	No	1	2
99362	No	1	2
99709	No	1	2
33179	No	1	1
46540	No	1	1
53182	No	1	1
55706	No	1	1
75692	No	1	1
77399	No	1	1
78204	No	1	1
81007	No	1	1
83554	No	1	1
83864	No	1	1
85118	No	1	1
85321	No	1	1
89061	No	1	1
89115	No	1	1

MultiCare Good Samaritan Patient Origin Analysis Acute Care Discharges Only, CHARS 2021
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Zipcode	East Pierce PA	Discharges	Patient Days
92084	No	1	1
93041	No	1	1
96768	No	1	1
97023	No	1	1
97133	No	1	1
97361	No	1	1
98040	No	1	1
98043	No	1	1
98070	No	1	1
98082	No	1	1
98223	No	1	1
98378	No	1	1
98504	No	1	1
98612	No	1	1
98662	No	1	1
98665	No	1	1
98935	No	1	1
99021	No	1	1
99166	No	1	1
99223	No	1	1
99224	No	1	1
99654	No	1	1

# Exhibit 6

## MultiCare Health System Policies

# Exhibit 6a

## Admissions Policy

**Title: ADMISSION OF A PATIENT**

**Scope:**

This scope applies to all inpatient areas at MultiCare Health System. It includes Tacoma General Hospital, Allenmore Hospital, Mary Bridge Children’s Hospital, Good Samaritan Hospital, Auburn Medical Center, Covington Medical Center, MultiCare Deaconess Hospital, MultiCare Valley Hospital, MultiCare Rockwood Clinic and Capital Medical Center.

**Policy Statement:**

This policy applies to the admission of a patient. An inpatient is a person who has been admitted to a hospital for bed occupancy for purposes of receiving inpatient hospital services. Generally, a patient is considered an inpatient with a provider admission order, medical necessity and the expectation that patient will remain at least overnight and occupy a bed. Patients who are being admitted for elective inpatient surgery are considered formally admitted once anaesthesia induction has begun.

The medical record contains information to justify the admission of the patient.

Plans of care and discharge plans are initiated for each admission.

MHS does not exclude or deny admission to any person on the basis of race, color, creed, religion, gender, age, ethnicity, disability status, national origin, sexual orientation, marital status, pre-existing condition or any other illegal basis.

**Procedure:**

- I. **All Members of the Medical Staff with Active Admitting Privileges May Admit Patients**
  - A. The Provider will:
    1. Determine patient admission needs
    2. Coordinate care between the patient’s primary care provider and Specialists providing care to the patient
    3. Identify necessary level of care and monitoring
    4. Provide appropriate orders (preferably entered into the EMR, however may be called, faxed or sent to the appropriate unit). These orders should include but are not limited to:
      - a. Admission Status (inpatient, ambulatory, observation for)
      - b. Admitting Diagnosis,
      - c. Attending Physician and
      - d. Admitting unit
      - e. Vital sign parameters
      - f. Allergies/Reactions

- g. Diet orders
- h. Activity orders
- i. Diagnostic, Lab and Imaging orders
- j. Medications and IVs to be administered during hospital stay, including Medication Reconciliation of home medications.
- k. Procedure/Treatments
- l. Resuscitation status as appropriate

5. Assess patient at the bedside within timeframe outlined by Medical Staff Bylaws
6. Identify goals of treatment and treatment plan
7. Inform patient about risks, benefits and alternatives of surgery and/or procedures and obtain informed consent as indicated
8. Complete the patient's History and Physical (H&P) as outlined by Medical Staff Bylaws.
9. Initiate appropriate discharge plan as indicated

**II. The Unit Secretary/Health Unit Coordinator is Responsible for Notifying Patient Access Services When Patient Has Arrived.**

**III. Patient Access Services will:**

- A. Upon notification, register the patient, generate the Face Sheet, Identification Band, Document Labels, and ensure delivery to the patient location.
- B. Obtain demographic and insurance information and signatures on applicable forms at the time of registration.
- C. Provide and review with the patient the MultiCare Handout entitled "Notice of Privacy Practices, Conditions for Treatment, Financial Disclosures, Patient Rights Materials, Financial Assistance" Form (87-9158-0A)
- D. If the patient cannot read English, interpreter services should be sought and translated forms will be provided.
- E. For every patient who has Medicare or a Managed Medicare as any insurance, primary, secondary, or tertiary, regardless of age the "An Important Message from Medicare" Form (87-0568-3e) must be reviewed with the patient and a signed copy of the document provided to the patient.
- F. If the patient is eligible for TriCare the form "An Important Message from TriCare" (88-0061-0) must be reviewed with the patient and a signed copy of the document provided to the patient.

**IV. Procedure for Admission to Clinical Care Area:**

**A. Obtain a Bed Assignment:**

1. A Provider will contact the appropriate department for bed availability and assignment. This may be the MultiCare Transfer Center (MTC), or the House Supervisor.



	<p>2. The admitting patient care staff will be notified of pending admission and bed assignment.</p> <p><b>B. Responsibilities</b></p> <p><b>1. Clerical support responsibilities:</b></p> <p>a. Retrieve past medical records, including recent ED or urgent care services, as needed</p> <p><b>2. RN:</b></p> <p>a. Obtain handoff/report of patient condition and receive patient into appropriate care area.</p> <p>b. Place identification bands with appropriate information</p> <p>c. Identify and prioritize appropriate patient care needs.</p> <p>d. Obtain/acknowledge necessary physician orders</p> <p>i. Medication orders must meet MHS standards prior to medication administration</p> <p>ii. The RN ensures that orders are accurately implemented.</p> <p>e. Complete the nursing admission documentation and verify that appropriate admission data is collected and documented</p> <p>f. Ensure that the Advance Directive information has been obtained and document the content of the advanced directive in the patient's record if known.</p> <p>g. If the patient is an adult and does not have a Health Care Directive or wishes additional information:</p> <p>i. A referral may be made to Care Management/ Social Workers who can provide resources to the patient</p> <p>ii. The Health Care Directive form (87-6030-2e) may be offered to the patient</p> <p>iii. The care team initiates a patient plan of care</p> <p><b>V. Patients will have a Standardized Patient Medical Record (Chart):</b></p> <p>A. The type of chart created will be driven by patient location and availability of the EMR</p>
	<p><b>Related Forms:</b>  Notice of Privacy Practices, Conditions for Treatment, Financial Disclosures, Patient's Rights Materials, Financial Assistance Form #87-9158-0A  Important Message from Medicare Form # 87-0568-3e  Important Message from TriCare Form # 88-0061-0  Health Care Directive Form #87-6030-2e</p>
	<p><b>References:</b></p> <p><b>CMS Standards:</b>  45 C.F.R. § 80  45 C.F.R. § 84  45 C.F.R. § 91</p>

	<p>29 U.S.C. § 794</p> <p>Centers for Medicare and Medicaid. (2020). <i>State Operations Manual- Regulations and Interpretive Guidelines for Hospitals</i>.</p> <p>The Joint Commission. (2020). <i>Comprehensive Accreditation Manual for Hospitals</i>. PC 01.02.03, RC 02.01.01, RI 01.01.01 EP2, 5, RI 01.02.01, EP 1,2,22, RI 01.05.01</p> <p>Washington State Department of Health. (2010). <i>Chapter 246-320 WAC Hospital Licensing Regulations</i>.</p>
	<p><b>Point of Contact: Executive Director, Patient Access 253-697-1865</b></p>
<p><b>Approval By:</b>  Patient Access Leadership  NOC  CapMC QSSC  MHS Quality Safety Steering Council</p>	<p><b>Date of Approval:</b>  8/12; 7/14; 4/17; 8/20  11/20  7/21  9/14; 5/17; 8/17; 4/18; 12/20</p>
<p>Original Date:  Revision Dates:  Reviewed with no Changes Dates:</p>	<p>12/00  8/04; 7/07; 9/09; 06/12; 8/14; 4/17; 10/20  XX</p>

Distribution: MHS Intranet

Scope/locations of services updated March, 2017.

Ethnicity and Pre-existing condition added per non exclusion law 7/17

MultiCare Deaconess Hospital, MultiCare Valley Hospital, MultiCare Rockwood Clinic

Added to scope 7/21/17

4/11/18 - Approved at SKRB 3/26/18 and QSSC 4/10/18 to apply to Covington Medical Center

Approved by QSSC e-vote 8/15/2021 to apply to Capital Medical Center

# Exhibit 6b

## Financial Assistance Policy

**Document Title: Financial Assistance – Hospital Based Services**

**Scope:**

This policy applies to patients who qualify for Charity Care or Financial Assistance for the services received within the Hospital facilities of MultiCare Health System (“MHS”) as provided by MHS.

Locations include Tacoma General/Allenmore Hospital, Mary Bridge Children’s Hospital, Good Samaritan Hospital, Auburn Medical Center, Covington Medical Center, Deaconess Hospital, Valley Hospital, Home Health and Hospice, Navos Behavioral Health Center and Capital Medical Center.

**Policy Statement:**

MHS is guided by a mission to provide high quality, patient-centered care. We are committed to serving all patients, including those who lack health insurance coverage or who cannot pay for all or part of the essential care they receive. We are committed to treating all patients with compassion. We are committed to maintaining Financial Assistance policies that are consistent with our mission and values and that take into account an individual’s ability to pay for medically necessary health care services.

**Definitions:**

1. **Collection Efforts** and **Extraordinary Collections Actions (ECA)** are defined by the MHS Collection Guidelines policy.
2. **Charity Care** and/or **Financial Assistance** means medically necessary hospital health care rendered to Eligible Persons when Third-Party Coverage, if any, has been exhausted, to the extent that the persons are unable to pay for the care or to pay deductible or coinsurance amounts required by a third-party payer based on the criteria in this policy. When communicating with patients, the phrase “Financial Assistance” will be used in lieu of “Charity Care.” Both terms are synonymous with one another for the purposes of this policy and MHS billing statements.
3. **Eligible Person(s)** is defined as those patients who have exhausted any third-party sources and whose income is equal to or below 500% the federal poverty standards adjusted for family size.
4. **Emergency Medical Conditions (EMC)** are defined by the MHS Emergency Medical Treatment and Active Labor Act (EMTALA), Compliance With policy, which is consistent with WAC 246-453-010.
5. **Family** is defined per WAC 246-453-010 (18) as a group of two or more persons related by birth, marriage or adoption that live together; all such related persons are considered as members of one family.
6. **Income** is defined per WAC 246-453-010(17) as total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony and net earnings from business and investment activities.

	<p>7. <b>Medically Necessary</b> is defined per WAC 246-453-010 (7) as appropriate hospital-based medical services.</p> <p>8. <b>Responsible Party</b> means that individual who is responsible for the payment of any hospital charges not otherwise covered by a funding source as described below.</p>
	<p><b>Policy Guidelines:</b></p> <p>This policy provides a guideline for making consistent and objective decisions regarding eligibility for Financial Assistance. Financial Assistance is available for medically necessary hospital-based health care services (to include emergency care) provided by MultiCare Health System.</p> <p>Emergency care will be provided to patients with Emergent Medical Conditions regardless of their ability to pay. MHS shall allocate resources to identify charity cases and provide uncompensated care per RCW 70.170 and WAC 246- 453. See MHS Policy: Emergency Medical Treatment and Active Labor (EMTALA), Compliance With.</p> <p>MHS supports the state-wide voluntary pledge of hospitals to provide Financial Assistance to Eligible Persons in accordance with the methodology provided and updated annually by the Washington State Hospital Association.</p> <p>Consideration for Financial Assistance will be given equally to all Eligible Persons, regardless of race, color, sex, religion, age, national origin, veteran’s status, marital status, sexual orientation, immigration status or other legally protected status. See MHS Policy: Patient Nondiscrimination</p> <p>All information relating to the Financial Assistance application is confidential and protected by HIPAA guidelines. See HIPAA Privacy Compliance – Administrative policy.</p> <p>Lists of providers accepting and not accepting Financial Assistance are available at <a href="https://www.multicare.org/financial-assistance/">https://www.multicare.org/financial-assistance/</a> .</p> <p>This policy describes the processes for evaluating applications and awarding Financial Assistance for free and discounted care at the following levels based on the Federal Poverty Limit (FPL) adjusted for family size:</p> <ol style="list-style-type: none"> <li>1. 100% Financial Assistance - Income levels at or below 300% of the (FPL); or</li> <li>2. Sliding Scale Financial Assistance - Income levels between 300.5% and 500% of the FPL.</li> </ol>
	<p><b>Procedure:</b></p> <p><b>I. Eligibility Criteria</b></p> <p>In order for a Responsible Party to be considered eligible for Financial Assistance, the following criteria must be met:</p> <p><b>A. Exhaustion of All Funding Sources</b></p> <ol style="list-style-type: none"> <li>1. Any of the following sources must first be exhausted before a Responsible Party will be considered for Financial Assistance: <ol style="list-style-type: none"> <li>a. Group or individual medical plans</li> <li>b. Workers’ compensation programs</li> </ol> </li> </ol>

- c. Medicaid programs
- d. Other state, federal or military programs
- e. Third party liability situations (e.g., auto accidents or personal injuries)
- f. Tribal health benefit programs
- g. Health care sharing ministry programs
- h. Any other persons or entities having a legal responsibility to pay
- i. Health saving account (HSA) funds. MHS may require a Responsible Party to fully utilize any available funds from HSA to satisfy outstanding balances.
- j. MHS will pursue payment from any available Funding Source. The remaining patient liability will be eligible for Financial Assistance based on the criteria in this policy.

**B. *Accurate Completion of Financial Assistance application.***

- 1. Incomplete applications will be denied. Patients may appeal the denial and provide the missing information per the guidelines set forth below.
- 2. If the application places an unreasonable burden, taking into account any physical, mental, intellectual, or sensory deficiencies or language barriers which may hinder the Responsible Party's capability of complying with the application procedures on the Responsible Party, then the application process will not be imposed.

**C. *Medicaid Eligibility Within 90 Days of Services in Lieu of Application***

- 1. A determination of Medicaid eligibility within (90) days of date of services may replace the Financial Assistance application and may be used to qualify the Responsible Party for 100% Financial Assistance except for spend down amounts. Proof of eligibility will be the presence of Medicaid coverage during the applicable timeframe in the patient's coverage record in Epic.

**D. *Presumptive determination or Extraordinary Circumstances***

- 1. The Responsible Party may qualify for Financial Assistance based on a presumptive determination or extraordinary life circumstances, as outlined below.

**E. *Medically Necessary Health Care Services Rendered***

- 1. The services provided to the patient must be medically necessary and not elective.
- 2. Scheduled services that appear to not be medically necessary will be reviewed by Utilization Management prior to the date of service to determine medical necessity.

**F. *International Patients***

- 1. Eligibility determinations for International Patients for non-emergent services will be considered on a case-by-case basis by a committee representing Physician Leadership, Revenue Cycle and Finance.

**II. Proof of Income:** Income will be evaluated based on the following criteria:

**A. Income Verification**

1. Any of the following types of documentation will be acceptable for purposes of verifying income:
  - a. W2 withholding statements
  - b. Payroll check stubs
  - c. Most recent filed IRS tax returns
  - d. Determination of Medicaid and/or state-funded medical assistance
  - e. Determination of eligibility for unemployment compensation
  - f. Written statements from employers or welfare agencies
2. For Social Security and Pension benefits, bank statements may be used to demonstrate the consistent monthly deposit.
3. In the event the Responsible Party is unable to provide the documentation described above, MHS must rely upon the written and signed statements from the Responsible Party for making a final determination of eligibility.
4. MHS may also use third party verification of ability to make a presumptive determination and apply a charity discount without receiving a financial assistance application.

**B. Calculation of Income**

1. MHS will use the following guidelines to calculate income:
  - a. All Family income will be included in the calculation.
  - b. Based on the type of documentation provided, the income will be calculated to represent a twelve (12) month period.

**C. Timing of Determination**

1. Income will be determined as of the time the services were provided.
2. Income at the time of application for Financial Assistance will be considered if the application is made within two years of the time the services were provided and the Responsible Party has been making good faith efforts towards payment for the services.

**III. Process for Determination of Eligibility**

- A. At the time of registration or as soon as possible following the initiation of services, MultiCare will make an initial determination of eligibility following the patient's review of the FPL grid. If a patient is determined to likely fall below 300% of the FPL, they will not be asked for payment and will be referred to a Patient Financial Navigator (PFN), who will provide additional information about Financial Assistance and other programs that may be available to the patient.
- B. Collection activity will cease for 30 calendar days for patients believed to be under 300% of the FPL and the Responsible Party will be asked to complete a Financial Assistance application. If no application is received within 30 days, collection activity will resume.

- C. When an application is received, a PFN will review the application to determine eligibility.
- D. Incomplete applications will be denied. The Responsible Party will be provided a letter specifying missing information and may Appeal the decision per the requirements below.
- E. A written notice of determination will be sent to the applicant within fourteen (14) calendar days from receipt of the complete application.
- F. If approved, this notice will include the amount for which the Responsible Party is financially responsible, if any.
- G. Approvals will be valid for 180 days and a new application will be required after such time. Awards to Eligible Persons on fixed incomes like Social Security shall be approved for one (1) year, at the discretion of the PFN reviewing the application.

#### **IV. Appeals**

- A. The Responsible Party may appeal the determination by providing additional verification of income or family size within thirty (30) calendar days of receipt of the determination.
- B. MultiCare will respond to the appeal within fourteen (14) calendar days from receipt of the appeal.
- C. All appeals will be reviewed and approved or denied by the Manager or Director, Patient Financial Navigation.
- D. If an appeal is denied, it will be presented to the AVP, Financial Clearance, Vice President of Revenue Cycle or Chief Financial Officer (CFO) for final determination. If this determination affirms the previous denial of Financial Assistance, written notification will be sent to the Responsible Party and the Department of Health in accordance with state law.
- E. Collection efforts will be suspended during the thirty (30) calendar day appeal period and the fourteen (14) calendar day appeal review period.

#### **V. Application of Financial Assistance Discount Levels**

- A. Financial Assistance applies to combined balances for all open accounts for the Responsible Party at time of application submission. The amount owed by an Eligible Person qualifying under this Financial Assistance policy will not exceed amounts generally billed to a Responsible Party not receiving assistance. The method used to calculate the discount to an Eligible Person's balance will be based on an annual retrospective analysis. A rate will be determined for each hospital. This will be calculated using a Look-Back Method pulling a year of claims that have paid in full for Medicare and private/commercial health insurance Responsible Party to determine the "Amount Generally Billed". Patients may obtain information about the Amounts Generally Billed calculations free of charge by calling 800-919-1936.
  - 1. Balances will be considered for Financial Assistance based on the FPL guidelines in Appendix A.
  - 2. If an Eligible Person's residence is in Hawaii or Alaska, the associated FPL guidelines for those states will be utilized to make the determination of assistance.



- B. Financial Assistance adjustments will be considered on an individual account balance basis. Approvals on adjustments will be authorized as follows:
  - 1. Patient Financial Navigators: \$0.01 - \$4,999
  - 2. Supervisor: \$5,000 - \$49,999
  - 3. Manager/Director: \$50,000 - \$99,999
  - 4. AVP: \$100,000 - \$499,999
  - 5. Vice President: \$500,000 - \$999,999
  - 6. SVP, CFO: \$1,000,000 - \$2,999,999
- C. The volume of applications and adherence to this policy will be tracked and audited on a monthly basis. This report will be reviewed and signed by the Vice President of Revenue Cycle or AVP, Financial Clearance.

## VI. Presumptive Eligibility

- A. Eligibility may be determined presumptively.
  - 1. MHS may utilize third party vendor software or software applications to determine an account's collectability. This is a "soft" credit check and will not impact the Responsible Party's credit standing.
  - 2. If these reviews determine the patient may be at 300% or below of the FPL, an adjustment will be taken automatically assuming the account otherwise qualifies for Financial Assistance.

## VII. Extraordinary Life Circumstances

- A. Extraordinary Life Circumstances may also warrant Financial Assistance. Examples of such circumstances may include:
  - 1. **Homeless Persons:** A Homeless person is an individual who has no home or place of residence and depends on charity or public assistance. Such individuals will be eligible for Financial Assistance, even if they are unable to provide the documentation required for the Financial Assistance application.
  - 2. **Deceased Patients:** The charges incurred by a patient who expires may still be considered eligible for Financial Assistance. For the Financial Assistance application, the deceased patient will count as a family member. Accounts in an "Estate" status or situations where the estate has not been opened are not eligible for Financial Assistance until the Estate is settled.
  - 3. **Inmates:** Responsible Party who is incarcerated may be considered eligible in the event the State or County has made a determination that the State or County is not responsible for charges and the inmate/patient is responsible for the bill. Charges incurred while in custody are usually paid through the Law Enforcement Agency and would not qualify for Financial Assistance.
  - 4. **Catastrophic Determinations:** Responsible Party may qualify for a Catastrophic Discount. Only medically necessary services are eligible for a Catastrophic Discount. A Catastrophic event will be determined on a case-by-case basis. Catastrophic cases may include extraordinary medical expenses or hardship situations. All income and non-income resources are considered in the determination, to include the Responsible Party's future income earning

potential, especially where his or her ability to work may be limited as a result of illness and/or their ability to make payments over an extended period of time. All of the debt or a portion of the debt may qualify for Financial Assistance. The Director or Manager of Patient Financial Navigation will assist in making a catastrophic event application determination.

- B. Requests for Financial Assistance may originate from other sources including a physician, community or religious groups, social services, financial services personnel, and/or the Responsible Party.

### **VIII. Individuals that Qualify for Medical Assistance Programs**

- A. MHS takes the following steps to identify patients or guarantors that may qualify for medical assistance programs under RCW 74.09:

1. Patient Financial Navigators review completed financial assistance applications and will follow up with patients or guarantors that appear to qualify for medical assistance programs.
2. Navigators are available on site at MHS hospital facilities, including our off-campus emergency departments, to identify and screen patients and their guarantors.
3. All self-pay patients admitted to an MHS hospital facility are screened to determine if they qualify for any medical assistance programs.
4. Patients may be referred for screening for coverage or medical assistance programs by Care Managers, Registration staff, and providers.
5. Certified Navigators are located throughout MHS and are available at no cost to help customers sign up for coverage through Washington Healthplanfinder. This service is available to anyone searching for a health plan—not only MHS patients.

- B. Once a patient or guarantor is identified as potentially being eligible for a medical assistance program:

1. The patient is screened by a Navigator, who helps determine eligibility for public health care coverage based on household size and income.
2. If the patient's eligibility is confirmed, then a Navigator will partner with the patient and assist the patient in applying for the appropriate health plan.
3. The patient account is flagged to ensure no billing occurs while the application is pending.

- C. MHS is not obligated to provide financial assistance if a patient or their guarantor qualifies for retroactive health care coverage under RCW 74.09 and the patient or their guarantor fails to make reasonable efforts to cooperate with a Navigator's attempts to assist them in applying for such coverage. (RCW 70.170.060(5)).

### **IX. Collection Efforts for Outstanding Patient Accounts**

- A. MHS will not initiate collection efforts or requests for deposits, provided that the Responsible Party within a reasonable time is cooperative with the system's efforts to reach a determination of Financial Assistance eligibility status. ECA may only be initiated after the Notification Period, in accordance with the MHS Policy: Collection

Guidelines, Patient Accounts.

- B. The Responsible Party's financial obligation remaining after application of the sliding fee schedule will follow regular collection procedures to obtain payment, pursuant to Policy.
- C. In the event that a Responsible Party pays a portion or all of the charges related to medically necessary health care services, and is subsequently found to have met the Financial Assistance criteria, any payments for services above the qualified amount will be refunded to the Responsible Party within 30 days of the eligibility determination.

**X. Staff Training**

- A. All relevant and appropriate staff supporting Hospital based locations who perform registration, admission, billing, or other related functions shall participate in standardized training based on this Financial Assistance Policy and the use of interpreter services to assist persons with limited English proficiency and non-English-speaking persons in understanding information about the availability of Financial Assistance.
- B. The training shall help ensure staff can answer Financial Assistance questions effectively, obtain any necessary interpreter services, and direct inquiries to the appropriate department in a timely manner.

**XI. Dissemination of MHS Financial Assistance Policy**

- A. All patients are provided with information about the availability of Financial Assistance upon registration. Additional copies can be requested from the Hospital Financial Navigators or Patient Access Techs within the hospital facilities.
- B. Notices in all languages spoken by more than 10 percent of the population advising patients of the availability of Financial Assistance will be posted in key public areas of the hospital, including Admissions and/or Registration, the Emergency Department, Billing and Financial Services.
- C. This policy, the application, and a plain language summary are available to patients free of charge by contacting 800-919-1936.
- D. Financial counselors are available to discuss Financial Assistance options in person at all hospital locations or over the phone for other areas of the health system.
- E. Billing Statements sent to Responsible Parties will contain information regarding the availability of Financial Assistance in both English and Spanish.
- F. Written materials are available in English, Spanish, Russian and Vietnamese. .
- G. Wide-reaching community notifications will occur in the following ways:
  - 1. Available at registration areas of all hospital facilities,
  - 2. On MHS website [www.multicare.org](http://www.multicare.org)
  - 3. Communications provided to our community partners for distribution, and
  - 4. Upon request, by calling 800-919-1936

**Related Forms:**

Proof of Income for Financial Assistance Instruction Sheet Financial Assistance Application Financial Assistance Letter to Patients Patient Brochure Containing Plain Language Summary	
<b>Appendix A: Financial Assistance</b>	
<b>References:</b> RCW 70.170 WAC 246-453 Federal Register Vol 79, December 31, 2014 Final Rule	
<b>Point of Contact:</b> AVP, Financial Clearance, rcardenas@multicare.org	
<b>Approval By:</b> Finance Leadership Corporate Compliance Leadership System Policy Council MHS Quality Safety Steering Council	<b>Date of Approval:</b> <b>12/18, 4/21, 10/21, 4/22</b> <b>12/18, 4/21, 10/21, 4/22</b> <b>4/22</b> <b>7/12, 8/13, 7/14, 4/15, 9/19, 5/21, 12/21, 5/22</b>
Original Date: Revision Dates:	5/97 11/00, 8/03, 2/05, 2/06, 9/08, 11/09, 4/11, 6/12, 8/13, 7/14, 3/15, 2/17, 2/18, 8/18, 9/18, 4/21, 9/21, 4/22
Reviewed with no Changes Dates:	X/XX; X/XX

Previously Titled: Charity Care and Financial Assistance (prior to 9/14)

Financial Assistance  
Appendix A  
2022

FAMILY SIZE	Gross Annual Income	300%	350%	400%	450%	500%
1	\$13,590	\$40,770	\$47,565	\$54,360	\$61,155	\$67,950
2	\$18,310	\$54,930	\$64,085	\$73,240	\$82,395	\$91,550
3	\$23,030	\$69,090	\$80,605	\$92,120	\$103,635	\$115,150
4	\$27,750	\$83,250	\$97,125	\$111,000	\$124,875	\$138,750
5	\$32,470	\$97,410	\$113,645	\$129,880	\$146,115	\$162,350
6	\$37,190	\$111,570	\$130,165	\$148,760	\$167,355	\$185,950
7	\$41,910	\$125,730	\$146,685	\$167,640	\$188,595	\$209,550
8	\$46,630	\$139,890	\$163,205	\$186,520	\$209,835	\$233,150
9	\$51,350	\$154,050	\$179,725	\$205,400	\$231,075	\$256,750
10	\$56,070	\$168,210	\$196,245	\$224,280	\$252,315	\$280,350
EACH ADD'L	\$4,720					

Poverty Level, Up To					
	300%	350%	400%	450%	500%
Charity Discount, %					
	100%	95%	90%	80%	70%
Patient Responsibility, %					
	0%	5%	10%	20%	30%

# Exhibit 6c

## Patient Rights and Responsibilities Policy

**Title: PATIENT RIGHTS AND RESPONSIBILITIES: ADULTS AND SPECIAL RIGHTS OF ADOLESCENTS**

**Scope:**

This policy applies to all patients and their families within the MultiCare Health System (MHS).

This scope applies to all ambulatory and inpatient areas at MultiCare Health System. It includes Tacoma General Hospital/Allenmore Hospital, Mary Bridge Children’s Hospital, Good Samaritan Hospital, Auburn Medical Center, Covington Medical Center, Deaconess Hospital, Valley Hospital and Capital Medical Center.

**Policy Statement:**

This policy establishes the MHS procedure to define patient rights by law and policy and define the procedure for providing this information to patients and families with MultiCare.

A. Patients will be provided a copy of the Patient Rights and Responsibilities brochure. This occurs on an annual basis, usually at the time of registration (or as soon as feasible), or more frequently as desired by patient and family. Brochures will be available to patients and families in registration areas.

**Procedure:**

**The following steps are to be followed to assure that the patients and families at MHS are aware of their rights and responsibilities:**

- A. MultiCare staff (employed, volunteer and contracted) will support and abide by the rights of patients who seek services within MultiCare Health System.
- B. Personnel responsible for admitting patients to the "inpatient" status will provide a copy of the Patient Rights and Responsibilities brochure at the time of admission (or as soon as feasible) and validate that the patient has received a copy at least yearly.
- C. Directors/Managers in patient registration areas will ensure the brochure is available for patients and families.

**Related Policies:** “Advanced Directives: Living Will and Mental Health”, “Patient Grievances”

**Related Forms:** *Patient Rights and Responsibilities Booklet # 87-9158-0c*

**References:**

Joint Commission Standards on Patient Rights  
CMS Conditions of Participation

**Point of Contact:** AVP, Registration 253-403-1326, [kwilcox@multicare.org](mailto:kwilcox@multicare.org)

**Approval By:**

Patient Registration Leadership  
MHS Quality Safety Steering Council

**Approval Date:**

4/19, 3/22  
4/14, 1/17, 6/19, 4/22

**Original Date:**

9/90

Revision Dates:

3/93, 2/95, 5/96, 11/97, 3/99, 2/01,  
2/03, 11/05, 3/09, 4/14, 1/17, 4/19  
5/12

Reviewed with no Changes Dates:

Scope/locations of services updated March, 2017.

4/11/18 - Approved at SKRB 3/26/18 and QSSC 4/10/18 to apply to Covington Medical Center

Approved by QSSC e-vote 8/15/2021 to apply to Capital Medical Center



# Exhibit 6d

## Patient Non-Discrimination Policy

**Document Title: Patient Nondiscrimination**

**Scope:**

This applies to all MultiCare Health System (MHS) workforce members, which includes but not limited to, MHS affiliated covered entities (ACE), employees, residents, students, volunteers, and other persons who are under direct control of MHS, who access, use, disclose or come in contact with patient information, including Protected Health Information (PHI) and patient Personally Identifiable Information (PII) in any form (paper, electronic or verbal).

**Location Scope:**

This policy applies to all of MultiCare Health System, to include but not be limited to the following locations: MultiCare Tacoma General Hospital/Allenmore Hospital, MultiCare Mary Bridge Children’s Hospital, MultiCare Good Samaritan Hospital, MultiCare Auburn Medical Center, MultiCare Deaconess Hospital, MultiCare Valley Hospital, MultiCare Covington Medical Center, Capital Medical Center, Home Health and Hospice Services, and all administrative or associated ambulatory and retail sites of care to include primary care and specialty clinics, ancillary services, surgery centers, and urgent care centers.

As affiliated covered entities (ACEs), this policy also applies to the administrative and clinical areas and workforces of MultiCare Connected Care, MHS Employees, Greater Lakes Behavioral Health, Navos, PNW PACE Partners, PNW Hospice, Capital Medical Center Physicians, Capital Medical Center Specialty Physicians, and CHVI.

**Policy Statement:**

MHS does not exclude, deny benefits to, or otherwise discriminate against any person on the basis of race, color, creed, religion, age, disability, national origin, language, marital status, sex (including pregnancy), sexual orientation, gender identity or expression, veteran or military status, citizenship or immigration status, or any other basis prohibited by federal or state law in admission to, participation in, or receipt of the services and benefits under any of its programs and activities, whether carried out by MHS directly or through a contractor of any other entity with which MHS arranges to carry out its programs and activities.

This policy applies to MHS and ACE personnel’s interactions with patients, vendors, guests, and visitors of MHS and all ACE’s. For questions regarding employment discrimination involving MHS, please see the MHS Policy and Procedure “*Equal Employment Opportunity and Employment Law.*”

For questions call the Privacy & Civil Rights Office at (253) 459-8300, the Integrity Line at (866) 264-6121 or email [compliance@multicare.org](mailto:compliance@multicare.org).

**Special Instructions:**

Any person who believes they or any specific class of individuals have been subjected to prohibited discrimination, such person may file a complaint with the MHS Privacy & Civil Rights Office,

	<p>All reports will be responded to and investigated by the Privacy &amp; Civil Rights Office. The availability and use submitting a complaint to MHS Privacy &amp; Civil Rights Office does not prevent a person from filing a complaint of discrimination with the U.S. Department of Health and Human Services, Office for Civil Rights.</p> <p>No person will suffer retaliation for reporting discrimination, filing a complaint, or cooperating in an investigation of a discrimination complaint.</p>
	<p><b>Procedure:</b></p> <p><b>Personnel will:</b></p> <ol style="list-style-type: none"> <li>1. Treat all patients and visitors receiving services from or participating in other programs of MHS and it's affiliates, with equality in a welcoming manner that is free from discrimination based on race, color, creed, religion, age, disability, national origin, marital status, sex (including pregnancy), sexual orientation, gender identity or expression, veteran or military status, or any other basis prohibited by federal or state law.</li> <li>2. Provide notices to patients regarding this Nondiscrimination Policy and MultiCare Health System's commitment to providing access to and the provision of services in a welcoming, nondiscriminatory manner.</li> <li>3. Inform patients of the availability of and make reasonable accommodations for patients consistent with federal and state requirements. For example, language interpretation services will be made available for non-English speaking patients and sign language interpretation will be made available for hearing impaired patients.</li> <li>4. Afford appropriate visitation rights to patients free from discrimination and will ensure that visitors receive equal visitation privileges consistent with patient preferences, safety, and other applicable policies. At the time patients are notified of their patient rights, Hospital Personnel will also inform patient, or patient's support person, including the patient's attorney in fact, when appropriate, of the patient's visitation rights, including any clinical or safety restriction on those rights, and the patient's right, subject to the patients consent, to receive visitors whom the patient designates.</li> <li>5. Determine eligibility for and provide services, financial aid, and other benefits to all patients in a similar manner, without subjecting any individual to separate or different treatment of the basis of race, color, creed, religion, age, disability, national origin, marital status, sex (including pregnancy), sexual orientation, gender identity or expression, veteran or military status, citizenship or immigration status, or any other basis prohibited by federal or state law.</li> </ol>
	<p><b>Related Policies:</b></p> <p>Compliance and Ethics Program, Reporting and Investigating Concerns of Violations  Patient Grievances  Equal Employment Opportunity and Employment Law  Emergency Medical Treatment and Active Labor (EMTALA), Compliance  with Employee Complaint Grievance Procedure</p>
	<p><b>References:</b></p> <p>Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Section 1557 if the Patient Protection and Affordable Care</p>

	<p>Act and Regulations of the U.S. Department of Health and Human Services issued pursuant to:</p> <p>45 C.F.R. § 80 (2012) – Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of Title VI of the Civil Rights Act of 1964.</p> <p>45 C.F.R. § 84 (2012) – Enforcement of nondiscrimination on the basis of handicap in programs or activities conducted by the Department of Health and Human Services.</p> <p>45 C.F.R. § 91 (2012) – Nondiscrimination on the basis of age in programs or activities receiving Federal financial assistance from HHS.</p> <p>RCW 49.60 – Discrimination – Human Rights Commission</p> <p>Idaho Title 67, Chapter 59 – Idaho Human Rights Act</p> <p>29 U.S.C. § 794 – Nondiscrimination under Federal grants and programs. RCW 49.60</p> <p>I.C. § 67-5909</p>
	<p><b>Point of Contact:</b> compliance@multicare.org</p>
<p><b>Approval By:</b> Privacy &amp; Civil Rights Leadership System Policy Council MHS Quality Safety Steering Council</p>	<p><b>Date of Approval:</b> <b>8/19, 8/20, 3/22</b> <b>4/22</b> <b>8/12, 9/17, 9/19, 9/20, 6/22</b></p>
<p>Original Date: Revision Dates: Reviewed with no Changes Dates:</p>	<p>6/12 8/17, 8/19, 8/20; 3/22 X/XX; X/XX</p>

Approved at SKRB 4/12/18 and QSSC e-vote 4/18/18 to apply to Covington Medical Center  
 Approved at QSSC September 2019 to apply to Home Health and Hospice  
 Update scope to include Protected Health Information (PHI) and Personally Identifiable Information (PII) as well as Community-based locations – November, 2020  
 Approved by QSSC e-vote 8/15/2021 to apply to Capital Medical Center

# Exhibit 6e

## End of Life Policy

**Title: WITHHOLDING/WITHDRAWAL OF LIFE-SUSTAINING TREATMENT**

**Scope**

This policy applies to patients receiving care at MultiCare Health System (MHS) in the Puget Sound region including Tacoma General/Allenmore Hospital, Mary Bridge Children’s Hospital, Good Samaritan Hospital, Auburn Medical Center, Covington Medical Center, Capital Medical Center, and all ambulatory care areas.

The following patients require additional procedures before enacting this policy:

- If the patient has been declared dead by whole brain criteria, refer to the **Brain Death Determination Policy**.
- If the patient is pregnant with a viable fetus, contact the local hospital’s Risk Manager and ethics committee.

**Policy Statement:**

1. MHS recognizes that the decision to withhold or withdraw life-sustaining treatment is ethically and legally appropriate in certain circumstances. It is expected that all involved health care providers will approach the decision-making process with the highest degree of professionalism, engaging in respectful and transparent discussion with the treatment team, the patient or surrogate, and the patient’s involved family members.
2. The decision to withhold or withdraw treatment is complex and case-specific, and should be guided by respect for:
  - a. the patient’s fundamental right to control decisions regarding their health care, including the decision to refuse life-sustaining treatment, and
  - b. health care providers’ obligations to provide beneficial treatments, restore health, and/or relieve pain and suffering, and
  - c. personal values that bear on the decision-making process and the right of a health care provider to elect not to participate in withholding or withdrawing life-sustaining treatment.
3. The goals of this policy are to provide guidelines for withholding or withdrawing life-sustaining medical treatment and may be referred together with the **Medically Ineffective Treatment Policy**.

**Procedure:**

**A. General Considerations**

1. A discussion concerning the withholding or withdrawal of life-sustaining treatment may be initiated by the patient, the patient’s surrogate or family members, the attending physician, or a consulting physician. The attending physician is responsible for coordinating communication between the patient or surrogate, the patient’s involved family members, and members of the treatment team.

2. Under Washington law, the right to refuse, withhold or withdraw life-sustaining treatment includes the right to refuse, withhold, or withdraw artificial nutrition and hydration.
3. A surrogate's decision to withhold or withdraw treatment should be guided by the **substituted judgment** standard, which means he or she is relying on known or inferred preferences of the patient when deciding about medical treatment. If the patient's preferences are unknown and cannot be reasonably inferred from the surrogate's knowledge of the patient, an advance directive, or knowledge of others who discussed end of life preferences with the patient, the surrogate must consider the **best interest** of the patient. The treatment team should support the surrogate decision-maker in reaching decisions that are guided by the **appropriate standard** under the circumstances.

#### **B. Establishing Goals of Care and Treatment Plans**

1. The treatment team should establish the patient's goals of care, including goals related to life-sustaining treatments as soon after admission as possible.
2. When the patient lacks decision-making capacity, the treatment team should review the patient's advance directives, if any, and engage the patient's legally qualified surrogate decision-maker in a discussion about goals of care. It is appropriate to involve immediate family members who have knowledge regarding patient preferences to assist the surrogate in exercising substituted judgment.
3. When the patient lacks decision-making capacity and has no surrogate, family, or other legal representative to speak for him or her, notify the local hospital's care continuum director to consider a guardianship process. An ethics consult may also be requested.
4. The role of the treatment team includes providing guidance whether the patient/surrogate's goals of care are attainable based on the best available medical evidence. When requested treatments are deemed medically ineffective, providers must respectfully discuss the rationale for any decision to withhold/withdraw the requested treatment and document the discussion and rationale in the patient's chart.
5. If the goals of care shift to comfort care and/or a decision is made not to escalate treatment, that goal should persist even as attending physicians change. This ensures continuity of care, minimizes the disruption to patients, family and staff, and helps families focus on supporting their dying loved one. The current attending physician should have a conversation with the incoming attending physician to help ensure continuity.
6. If there is clinically significant change in the patient's medical condition, the goals of care should be re-evaluated.
7. Early involvement of the palliative care team is recommended when a patient has a life-limiting or terminal illness, especially when withholding or withdrawing treatment is being considered.

#### **C. Guidelines to Withhold or Withdraw Life-Sustaining Treatment**

1. A patient who has decision-making capacity has the right to refuse life-

sustaining treatment, including artificial nutrition and hydration. The request can be made directly by the patient or through his or her advance directive. In such cases, life-sustaining treatment may be withheld or withdrawn, provided conditions of the advance directive are met. Involved family members should be informed of the decision.

2. When the attending physician, with consensus of the treating team, makes a judgment that a life-sustaining intervention is medically ineffective, the attending should commence a patient care conference (as appropriate) to explain the treating team's recommendations, the medical rationale supporting it, the alternatives and their likely outcomes. It is recommended to include members from palliative care, social work and/or spiritual care for added support.
3. The attending physician seeks the patient/surrogate's agreement to withhold or withdraw the interventions. The discussion should be summarized in the patient's chart. Once a decision is made to withdraw or withhold treatment, the preferences of the patient and his or her involved family members should be taken into consideration when they do not harm the patient or complicate the withdrawal process. In certain circumstances the medical interventions may continue to be provided for a brief period of time, such as to allow travel time to reach the patient or to perform cultural or religious ceremonies.
4. Discussion of the option to donate organs is a separate decision from withdrawal of life-sustaining treatment and should be addressed prior to the withdrawal. Tissue donation (including corneas) may be discussed after the patient has died. **Refer to the Organ, Tissue and Eye donation** policy for guidance.

#### **D. Conflict Resolution Procedure**

1. Conflicts may arise when parties disagree about the best course of action in the care of a patient when the treating team believes that:
  - a. a treatment is medically ineffective, or
  - b. a treatment is contrary to generally accepted medical standards, or
  - c. the burden of pain, suffering, and/or intrusiveness resulting from treatment significantly outweighs any benefit.
2. Three types of conflict often arise: (a) intra-professional between members of the treating team, (b) between family members or surrogates, and (c) between the treating team and the patient or surrogate. Depending on the source of conflict the following steps should be taken.
3. Conflict between members of the treating team (intra-professional):
  - a. Regular team meetings should be held to discuss the patient's prognosis, goals of care, and proposed treatments to achieve consensus among physicians and/or treating team members.
  - b. Care should be taken not to engage the family with intra-professional disagreements. This places an unfair burden on them and can provide confusing information regarding treatment options.
  - c. If the intra-professional conflict remains unresolved, support from the ethics



committee is recommended. The ethics committee members help to facilitate a fair resolution of the conflict, identify areas of agreement or consensus, and provide recommendations and ethical rationale for various courses of action.

- d. If the conflict is not resolved after an ethics consult, the Chief Medical Officer should be enlisted. Final resolution for intra-professional conflicts is an institutional responsibility that includes of the hospital's Chief Medical Officer, MHS service lines and specialties appropriate to the situation, and MHS leadership.

4. Conflict between family members and/or surrogate:

- a. If disagreement arises between family members or surrogate, a family conference should be held with the members of the treating team to discuss the patient's prognosis, goals of care, and proposed treatments to try and achieve consensus. If disagreement persists, an ethics consult should be requested.
- b. Ultimately, with conflicts between family members and/or surrogate, the final decision resides with the legally authorized surrogate. However, every effort should be made by the treating team to help the family reach consensus regarding the withholding or withdrawing of life-sustaining treatment.

5. Conflict between the attending physician/treating team and pt/surrogate:

- a. If the family does not agree with the attending and treating team's recommendation to withhold or withdraw treatment, an ethics consult should be requested. The ethics consultant will meet with all parties to ensure inclusion of all relevant perspectives and provide recommendations and ethical rationale for various courses of action. The process and outcome of the consult will be documented in the patient's chart and communicated to the providers and patient/surrogate/family. The patient/surrogate will be allowed an appropriate amount of time to consider the recommendations.
- b. If disagreement persists after obtaining the ethics consultation, the attending physician may request second opinion from a physician with appropriate expertise. The consulting physician will inform the treatment team and the patient/surrogate regarding their assessment.
- c. Pursuant to Washington code RCW 70.122.030, prior to withholding or withdrawing life-sustaining treatment for patients who lack capacity, the diagnosis of a terminal condition by the attending physician or the diagnosis of a permanent unconscious state by two physicians shall be documented into the patient's medical record.
- d. As a point of information, the attending physicians should notify the CMO about the intractable conflict. It is recommended the CMO informs the Risk and Legal departments about the situation. The patient/surrogate should be offered the opportunity to arrange for transfer to another facility.
- e. Final resolution to withhold or withdraw life-sustaining treatment in situations where there is intractable disagreement is considered an institutional decision that includes the hospital's Chief Medical Officer, MHS service lines and specialties appropriate to the situation, and MHS leadership. The Chief

	<p>Medical Officer or attending physician with support from any relevant clinical staff or MHS representative will inform the patient/surrogate of available options.</p>
	<p><b>Definitions</b></p> <p><b>Attending Physician:</b> The physician assigned to the patient who has primary responsibility for the treatment and care of the patient.</p> <p><b>Life-Sustaining Treatment:</b> Any medical or surgical intervention that uses mechanical or other artificial means, including artificial nutrition and hydration, to restore or replace a vital function which when applied to a qualified patient, would serve only to prolong the process of dying. Life- sustaining treatment shall not include the administration of medication or the performance of any medical or surgical intervention deemed necessary solely to alleviate pain.</p> <p><b>Medical Futility:</b> the rare circumstance that an intervention cannot accomplish the intended physiological goal. Medical futility may be invoked as the basis for a physician’s decision to withhold or withdraw a medical intervention.</p> <p><b>Medically Ineffective Treatment:</b> <b>See Associated Policy</b> Any treatment or course of treatment that:</p> <ol style="list-style-type: none"> <li>1. holds at least some chance of accomplishing the effect sought by the patient or surrogate, but competing ethical considerations justify not providing it, or</li> <li>2. would serve only to prolong the patient’s irreversible dying process that is actively underway, excluding certain circumstances in which medical interventions are continued for a brief period of time, or</li> <li>3. would serve only to maintain the patient’s life in a permanent, unconscious state or other neurologically devastated state in which the patient is unable to experience the benefits of treatment or survive outside of the hospital’s acute care setting, or</li> <li>4. would impose burdens on the patient grossly disproportionate to any expected benefit.</li> </ol> <p><b>Surrogate Decision-Maker:</b> Person legally authorized to provide medical consent for a patient who is not competent or lacks decision-making capacity. Refer to the <b>MHS Policy Informed Consent Section C: Adult patient’s Decisional Capacity</b> for the updated (2019) priority list.</p> <p><b>Treatment or Treating Team:</b> All of the clinicians assigned to care for the patient, including but not limited to: physicians, nurses, social workers, chaplains, and allied health staff (respiratory, dieticians, physician therapy, etc.).</p>
	<p><b>References:</b></p> <p>American Medical Association. Caring for patients at the end of life. Code of Medical Ethics Opinion E5.1 – E5.5. <i>AMA principles of medical ethics</i>. Accessed 12/2019 from: <a href="https://www.ama-assn.org/delivering-care/ethics/code-medical-ethics-caring-patients-end-life">https://www.ama-assn.org/delivering-care/ethics/code-medical-ethics-caring-patients-end-life</a></p> <p>American Medical Association. Medically Ineffective Interventions. Code of Medical Ethics Opinion 5.5. <i>AMA principles of medical ethics</i>. Accessed 3/2020 from: <a href="https://www.ama-assn.org/delivering-care/ethics/medically-ineffective-">https://www.ama-assn.org/delivering-care/ethics/medically-ineffective-</a></p>

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Washington State Legislature. Natural Death Act. Chapter 70.122 RCW. Retrieved 12/2019 from <https://app.leg.wa.gov/RCW/default.aspx?cite=70.122>

**Point of Contact: Clinical Ethicist (253) 403-1136**

**Approval By:**

Tacoma Ethics Committees  
AMC/CMC Ethics  
GS Ethics  
GS MEC  
CMC MEC  
AMC MEC  
Tacoma Med Ops  
CapMC MEC  
CapMC Executive Board of Directors  
MHS Quality Safety Steering Council

**Date of Approval:**

**1/20, 3/20**  
**3/20**  
**3/20**  
**2/20, 4/20**  
**2/20, 4/20**  
**4/20**  
**2/20, 4/20**  
**9/21**  
**9/21**  
**3/20, 5/20**

Original Date:

01/89

Revision Dates:

01/05; 10/09; 12/11

Reviewed with no Changes Dates:

None

Distribution: MHS Intranet

4/2017 locations included in scope

7/17, Covington Medical Center added to scope

Approved for Capital Medical Center 9/7/21 by CapMC MEC and Executive Board of Directors

Approved by MHS QSSC e-vote 9/21/2021 to apply to Capital Medical Center

Exhibit 6f  
Reproductive Health Policy

Title: REPRODUCTIVE HEALTH

Scope:

All patients needing reproductive health care.

This scope applies to all inpatient areas at MultiCare Health System. It includes Tacoma General Hospital Allenmore Hospital, Mary Bridge Children's Hospital, Good Samaritan Hospital, Auburn Medical Center, Covington Medical Center, Capital Medical Center, and all ambulatory areas.

Policy Statement:

As an integrated health care system MHS will provide a range of male and female reproductive health services to meet a patient's clinical needs and a patient's choice. Not every procedure is available at all of our hospitals. This policy focuses on services provided in hospital facilities only.

1. Through the primary care settings in hospital facilities, patients have access to a full array of preventive healthcare services including all forms of contraception prevention, and the preventions and treatment of sexually transmitted diseases
2. Through our hospitals patients have access to dedicated birth services. Also available are pre-natal care services with planned deliveries.
3. Our hospitals which routinely deliver babies offer a full scope of services related to prenatal care, birth, maternal fetal medicine consultations and referrals and genetic counseling.
4. Within the MHS system we offer both elective and medically indicated terminations of pregnancy in addition to actively referring patients to community providers.
5. Patients who wish to explore limited services related to male and female fertility can find a range of such services. Which includes actively referring patients to community providers.
  - Note MHS hospitals permit their healthcare professionals to opt/out of participating in serviced that violate their conscience or values. In such circumstances, the hospitals arrange for other healthcare professionals to deliver the care for the patient.

References:

WAC 246-320-141

Point of Contact: Medical Chair OB Collaborative

*Approval by:*  
OB Collaborative (endorsement)  
CapMC Compliance and Ethics Team

*Date of Approval:*  
3/17  
7/21

Quality Safety Steering Council	3/17; 7/17
Original Date:	2/17
Revision Dates:	X/XX; X/XX
Reviewed with no Changes Dates:	X/XX; X/XX

Distribution: MSH Intranet

7/17 Covington Medical Center added to scope

Approved by QSSC e-vote 8/15/2021 to apply to Capital Medical Center

# Exhibit 7

## Financial Pro Forma

## MultiCare Good Samaritan Pro Forma Income Statement

### HISTORICAL

	<u>2020</u>	<u>2021</u>	<u>2022</u> (Annualized off 6/30/2022 YTD)
<b>PATIENT SERVICE REVENUES:</b>			
Inpatient	\$ 1,127,532,968	\$ 1,265,496,001	\$ 1,243,677,532
Outpatient	\$ 1,053,570,328	\$ 1,199,024,536	\$ 1,188,470,274
Other	\$ -	\$ -	
<b>TOTAL PATIENT SERVICE REVENUES</b>	<b>\$ 2,181,103,295</b>	<b>\$ 2,464,520,537</b>	<b>\$ 2,432,147,806</b>
<b>DEDUCTIONS FROM REVENUES:</b>			
Contractual Adjustments	\$ 1,540,130,215	\$ 1,750,434,442	1,730,836,660
Charity Care	\$ 46,601,169	\$ 43,133,176	\$ 36,566,749
Provision for Bad Debts	\$ 18,895,237	\$ 23,368,684	\$ 18,045,534
Other adj. and allowances	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 1,605,626,621</b>	<b>\$ 1,816,936,302</b>	<b>\$ 1,785,448,943</b>
<b>NET PATIENT SERVICE REVENUE</b>	<b>\$ 575,476,675</b>	<b>\$ 647,584,235</b>	<b>\$ 646,698,863</b>
<b>OTHER OPERATING REVENUE</b>	<b>\$ 15,901,687</b>	<b>\$ 20,803,995</b>	<b>\$ 3,277,874</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 591,378,362</b>	<b>\$ 668,388,230</b>	<b>\$ 649,976,737</b>
<b>OPERATING EXPENSES</b>			
Salaries and Wages	\$ 245,870,143	\$ 259,451,045	\$ 325,504,902
Employee Benefits	\$ 55,398,116	\$ 53,284,759	\$ 53,649,794
Professional Fees	\$ 21,675,801	\$ 20,093,999	\$ 25,676,628
Supplies	\$ 64,851,358	\$ 76,218,976	\$ 76,869,604
Purchased Services - Utilities	\$ 2,093,013	\$ 2,256,723	\$ 1,640,331
Purchased Services - Other	\$ 79,050,652	\$ 157,946,573	\$ 149,011,088
Depreciation	\$ 32,031,528	\$ 27,068,997	\$ 26,463,910
Rentals and Leases	\$ 7,765,259	\$ 8,404,308	\$ 9,145,933
Insurance	\$ 6,259,619	\$ 8,366,644	\$ 7,590,378
License and Taxes	\$ 6,236,295	\$ 5,533,460	\$ 5,336,707
Interest	\$ 13,136,963	\$ 12,983,550	\$ 13,190,639
Other Direct Expense	\$ 24,245,579	\$ 22,909,559	\$ 26,117,724
<b>TOTAL</b>	<b>\$ 558,614,325</b>	<b>\$ 654,518,594</b>	<b>\$ 720,197,639</b>
<b>INCOME/(LOSS) FROM OPERATIONS</b>	<b>\$ 32,764,037</b>	<b>\$ 13,869,636</b>	<b>\$ (70,220,901)</b>



## MultiCare Good Samaritan Pro Forma Staffing

### FTE SCHEDULE

### GOOD SAMARITAN HISTORICALS

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Productive FTEs</b>			
Management	32.17	36.71	40.75
RN	519.98	542.08	483.55
LPN	44.62	43.42	35.79
Professional	114.84	120.23	119.36
Technical	227.37	229.41	222.82
Physician	12.00	12.00	13.00
Supervision	30.57	33.71	45.69
Service/Maintenance	157.88	157.81	149.06
Resident	20.40	31.22	24.00
Orientation	25.43	29.40	32.14
Education	14.23	11.82	13.94
Professional Fixed	51.23	51.68	50.12
Technical Fixed	22.11	21.23	22.10
CNA/MA	207.59	205.80	199.74
Outside Wages	140.71	192.65	292.19
Service & Maintenance Fixed	84.38	80.63	82.63
Other	316.00	315.00	313.60
Total Productive FTEs	2,021.52	2,114.80	2,140.48
<b>Non-Productive FTEs</b>			
Paid Time Off (PTO)	176.60	176.21	173.85
Extended Illness (EIT)	29.63	31.11	29.18
Vacation	0.11	0.28	0.17
Jury Duty	0.20	0.26	0.15
Sick Leave	5.27	5.88	4.65
Bereavement	2.71	3.42	2.85
Total Non-Productive FTEs	214.52	217.16	210.84
Allocated FTEs	-	-	-
Total FTEs	2,236.04	2,331.96	2,351.32

**MultiCare Good Samaritan Pro Forma  
Staffing**

**WAGE & SALARIES SCHEDULE**

**GOOD SAMARITAN HISTORICALS**

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Direct Salaries</u>			
Management	5,445,017	6,293,504	6,894,371
RN	54,625,949	63,664,180	60,953,532
LPN	2,867,789	2,953,528	2,598,686
Professional	12,631,562	14,109,909	14,321,643
Technical	16,883,803	18,035,030	18,498,327
Physician	4,347,359	4,782,150	4,717,143
Supervision	3,125,817	3,775,441	5,542,434
Service/Maintenance	6,981,361	7,227,872	7,599,742
Resident	1,419,750	2,303,445	1,962,330
Orientation	1,789,670	2,003,025	2,286,009
Education	1,183,791	983,445	1,166,027
Professional Fixed	5,250,731	5,607,866	5,515,157
Technical Fixed	1,352,498	1,375,749	1,535,638
CNA/MA	9,387,160	10,086,857	10,819,753
Service & Maintenance Fixed	4,773,717	4,797,235	5,277,008
Other	43,891,622	48,016,701	56,500,804
Paid Time Off (PTO)	14,119,064	14,482,305	16,393,999
Extended Illness (EIT)	2,258,354	2,172,921	2,859,413
Vacation	17,266	14,642	13,261
Jury Duty	26,151	53,864	72,284
Sick Leave	328,301	349,117	377,364
Bereavement	187,494	234,309	205,458
<b>Total Direct Salaries</b>	<b>192,894,227</b>	<b>213,323,096</b>	<b>226,110,382</b>
<u>Contract Labor</u>			
Outside Wages	21,986,945	46,127,949	99,394,520
<b>Total Contract Labor</b>	<b>21,986,945</b>	<b>46,127,949</b>	<b>99,394,520</b>
Allocated Salaries	-	-	-
<b>Total Salaries</b>	<b>214,881,171</b>	<b>259,451,045</b>	<b>325,504,902</b>

## MultiCare Good Samaritan Pro Forma Revenue Assumptions

<b>Utilization</b>	<b>Assumptions (Forecasted Years 2023 - 2030)</b>		
Discharges	Patients served; Patient days divided by ALOS of 5.22		
Patient Days	See utilization forecast		
Averaged Daily Census (ADC)	See utilization forecast		
<b>Payer Mix and Contractual Adjustments</b>			
	Medicare	Medicaid	Other
Payer Mix	41.7%	21.5%	36.8%
Contractual Adjustment Rate	71.6%	71.6%	70.1%
<b>Revenue Sources</b>			
	Inpatient	Outpatient (% of IP)	Other
Acute Care (Per Patient Day)	\$3,765.21	2.8%	\$0.00
Surgical Services (Per OR Minute)	\$95.43	177.8%	\$0.00
<b>Other revenue adjustments</b>			
Bad debt	Assumed constant at 0.96% of gross revenues		
Charity care	Assumed constant at 1.75% of gross revenues		

## MultiCare Good Samaritan Pro Forma Expense Assumptions

Category/Item	Assumptions (Forecasted Years 2023 - 2030)
<b>Patient Days</b>	
Estimated Patient Days	See utilization forecast
<b>Staffing Costs</b>	
Salaries and Wages	Based on FTE schedule and historical compensation per FTE.
Benefits	18.38% of Salaries and Wages, consistent with 2021 YE report
<b>Other Expenses</b>	
Professional Fees	\$2,404.63/Acute Bed based on Good Samaritan 2021 YE Report
Supplies	\$294.10/patient day based on Good Samaritan 2021 YE Report
Purchased Services - Utilities	\$2,176.68/Acute Bed based on Good Samaritan 2021 YE Report
Purchased Services - Other	\$9,509.24/Acute Bed based on Good Samaritan 2021 YE Report
Depreciation	\$648,384/month based on project expenditures and capitalized interest over a specified period. See Depreciation sheet.
Rentals and Leases	\$6,946.45/Acute Bed based on Good Samaritan 2021 YE Report
Interest	\$731,863/Month starting in June 2026, which then declines over the forecast period.
Other Direct Expense	\$7.52/patient day based on Good Samaritan 2021 YE Report

**MultiCare Good Samaritan Pro Forma  
Income Statement (Entire Hospital)**

**WITHOUT THE PROJECT**

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b>PATIENT SERVICE REVENUES:</b>							
Inpatient	\$ 1,273,781,823	\$ 1,284,199,326	\$ 1,294,825,180	\$ 1,294,825,180	\$ 1,294,825,180	\$ 1,294,825,180	\$ 1,294,825,180
Outpatient	\$ 1,202,889,368	\$ 1,207,748,500	\$ 1,212,704,814	\$ 1,212,704,814	\$ 1,212,704,814	\$ 1,212,704,814	\$ 1,212,704,814
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 2,476,671,191</b>	<b>\$ 2,491,947,826</b>	<b>\$ 2,507,529,994</b>	<b>\$ 2,507,529,994</b>	<b>\$ 2,507,529,994</b>	<b>\$ 2,507,529,994</b>	<b>\$ 2,507,529,994</b>
<b>DEDUCTIONS FROM REVENUES:</b>							
Contractual Adjustments	\$ 1,759,070,111	\$ 1,769,927,468	\$ 1,781,001,971	\$ 1,781,001,971	\$ 1,781,001,971	\$ 1,781,001,971	\$ 1,781,001,971
Charity Care	\$ 43,345,832	\$ 43,613,199	\$ 43,885,912	\$ 43,885,912	\$ 43,885,912	\$ 43,885,912	\$ 43,885,912
Provision for Bad Debts	\$ 23,485,858	\$ 23,633,176	\$ 23,783,441	\$ 23,783,441	\$ 23,783,441	\$ 23,783,441	\$ 23,783,441
Other adj. and allowances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 1,825,901,802</b>	<b>\$ 1,837,173,842</b>	<b>\$ 1,848,671,324</b>	<b>\$ 1,848,671,324</b>	<b>\$ 1,848,671,324</b>	<b>\$ 1,848,671,324</b>	<b>\$ 1,848,671,324</b>
<b>NET PATIENT SERVICE REVENUE</b>	<b>\$ 650,769,389</b>	<b>\$ 654,773,984</b>	<b>\$ 658,858,670</b>	<b>\$ 658,858,670</b>	<b>\$ 658,858,670</b>	<b>\$ 658,858,670</b>	<b>\$ 658,858,670</b>
<b>OTHER OPERATING REVENUE</b>	<b>\$ 20,906,239</b>	<b>\$ 21,034,786</b>	<b>\$ 21,165,905</b>	<b>\$ 21,165,905</b>	<b>\$ 21,165,905</b>	<b>\$ 21,165,905</b>	<b>\$ 21,165,905</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 671,675,628</b>	<b>\$ 675,808,770</b>	<b>\$ 680,024,575</b>	<b>\$ 680,024,575</b>	<b>\$ 680,024,575</b>	<b>\$ 680,024,575</b>	<b>\$ 680,024,575</b>
<b>OPERATING EXPENSES</b>							
Salaries and Wages	\$ 261,202,350	\$ 263,404,211	\$ 265,650,108	\$ 265,650,108	\$ 265,650,108	\$ 265,650,108	\$ 265,650,108
Employee Benefits	\$ 53,606,701	\$ 54,011,468	\$ 54,424,330	\$ 54,424,330	\$ 54,424,330	\$ 54,424,330	\$ 54,424,330
Professional Fees	\$ 20,093,999	\$ 20,093,999	\$ 20,093,999	\$ 20,093,999	\$ 20,093,999	\$ 20,093,999	\$ 20,093,999
Supplies	\$ 76,703,974	\$ 77,313,748	\$ 77,935,717	\$ 77,935,717	\$ 77,935,717	\$ 77,935,717	\$ 77,935,717
Purchased Services - Utilities	\$ 2,256,723	\$ 2,256,723	\$ 2,256,723	\$ 2,256,723	\$ 2,256,723	\$ 2,256,723	\$ 2,256,723
Purchased Services - Other	\$ 157,946,573	\$ 157,946,573	\$ 157,946,573	\$ 157,946,573	\$ 157,946,573	\$ 157,946,573	\$ 157,946,573
Depreciation	\$ 27,068,997	\$ 27,068,997	\$ 27,068,997	\$ 27,068,997	\$ 27,068,997	\$ 27,068,997	\$ 27,068,997
Rentals and Leases	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308
Insurance	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644
License and Taxes	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460
Interest	\$ 12,983,550	\$ 12,983,550	\$ 12,983,550	\$ 12,983,550	\$ 12,983,550	\$ 12,983,550	\$ 12,983,550
Other Direct Expense	\$ 22,921,957	\$ 22,937,545	\$ 22,953,445	\$ 22,953,445	\$ 22,953,445	\$ 22,953,445	\$ 22,953,445
<b>TOTAL</b>	<b>\$ 657,089,238</b>	<b>\$ 660,321,227</b>	<b>\$ 663,617,856</b>	<b>\$ 663,617,856</b>	<b>\$ 663,617,856</b>	<b>\$ 663,617,856</b>	<b>\$ 663,617,856</b>
<b>INCOME/(LOSS) FROM OPERATIONS</b>	<b>\$ 14,586,391</b>	<b>\$ 15,487,543</b>	<b>\$ 16,406,719</b>	<b>\$ 16,406,719</b>	<b>\$ 16,406,719</b>	<b>\$ 16,406,719</b>	<b>\$ 16,406,719</b>

**MultiCare Good Samaritan Pro Forma  
Income Statement (Incremental Volumes With the Project)**

**THE PROJECT (Acute Care and Surgical Services Cost Centers Only)**

	<u>2023</u>		<u>2024</u>		<u>2025</u>		<u>2026</u>		<u>2027</u>		<u>2028</u>		<u>2029</u>	
<b>PATIENT SERVICE REVENUES:</b>														
Inpatient	\$	-	\$	-	\$	-	\$	13,547,963	\$	64,845,931	\$	82,085,156	\$	99,696,198
Outpatient	\$	-	\$	-	\$	-	\$	6,319,301	\$	30,246,683	\$	38,287,733	\$	46,502,213
Other	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL	\$	-	\$	-	\$	-	\$	19,867,264	\$	95,092,613	\$	120,372,889	\$	146,198,411
<b>DEDUCTIONS FROM REVENUES:</b>														
Contractual Adjustments	\$	-	\$	-	\$	-	\$	14,119,992	\$	67,583,886	\$	85,550,994	\$	103,905,617
Charity Care	\$	-	\$	-	\$	-	\$	347,710	\$	1,664,278	\$	2,106,724	\$	2,558,713
Provision for Bad Debts	\$	-	\$	-	\$	-	\$	191,587	\$	917,014	\$	1,160,801	\$	1,409,846
Other adj. and allowances	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL	\$	-	\$	-	\$	-	\$	14,659,289	\$	70,165,177	\$	88,818,519	\$	107,874,177
<b>NET PATIENT SERVICE REVENUE</b>	\$	-	\$	-	\$	-	\$	5,207,975	\$	24,927,436	\$	31,554,370	\$	38,324,234
<b>OTHER OPERATING REVENUE</b>	\$	-	\$	-	\$	-	\$	167,176	\$	800,171	\$	1,012,895	\$	1,230,208
<b>TOTAL OPERATING REVENUE</b>	\$	-	\$	-	\$	-	\$	5,375,151	\$	25,727,607	\$	32,567,266	\$	39,554,442
<b>OPERATING EXPENSES</b>														
Salaries and Wages	\$	-	\$	-	\$	-	\$	3,068,391	\$	13,291,903	\$	16,627,467	\$	20,034,974
Employee Benefits	\$	-	\$	-	\$	-	\$	564,061	\$	2,443,444	\$	3,056,619	\$	3,683,019
Professional Fees	\$	-	\$	-	\$	-	\$	96,185	\$	384,740	\$	384,740	\$	384,740
Supplies	\$	-	\$	-	\$	-	\$	793,011	\$	3,795,664	\$	4,804,737	\$	5,835,574
Purchased Services - Utilities	\$	-	\$	-	\$	-	\$	87,067	\$	348,268	\$	348,268	\$	348,268
Purchased Services - Other	\$	-	\$	-	\$	-	\$	380,370	\$	1,521,478	\$	1,521,478	\$	1,521,478
Depreciation	\$	-	\$	-	\$	-	\$	1,886,937	\$	7,547,747	\$	7,547,747	\$	7,547,747
Rentals and Leases	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Insurance	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
License and Taxes	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Interest	\$	-	\$	-	\$	-	\$	2,041,069	\$	3,453,744	\$	3,394,353	\$	3,332,233
Other Direct Expense	\$	-	\$	-	\$	-	\$	20,272	\$	97,030	\$	122,825	\$	149,177
TOTAL	\$	-	\$	-	\$	-	\$	8,937,362	\$	32,884,017	\$	37,808,235	\$	42,837,211
<b>INCOME/(LOSS) FROM OPERATIONS</b>	\$	-	\$	-	\$	-	\$	(3,562,211)	\$	(7,156,410)	\$	(5,240,969)	\$	(3,282,769)

**MultiCare Good Samaritan Pro Forma  
Income Statement (Entire Hospital)**

**WITH THE PROJECT**

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b>PATIENT SERVICE REVENUES:</b>							
Inpatient	\$ 1,273,781,823	\$ 1,284,199,326	\$ 1,294,825,180	\$ 1,308,373,143	\$ 1,359,671,111	\$ 1,376,910,336	\$ 1,394,521,378
Outpatient	\$ 1,202,889,368	\$ 1,207,748,500	\$ 1,212,704,814	\$ 1,219,024,115	\$ 1,242,951,497	\$ 1,250,992,547	\$ 1,259,207,027
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 2,476,671,191</b>	<b>\$ 2,491,947,826</b>	<b>\$ 2,507,529,994</b>	<b>\$ 2,527,397,258</b>	<b>\$ 2,602,622,607</b>	<b>\$ 2,627,902,883</b>	<b>\$ 2,653,728,405</b>
<b>DEDUCTIONS FROM REVENUES:</b>							
Contractual Adjustments	\$ 1,759,070,111	\$ 1,769,927,468	\$ 1,781,001,971	\$ 1,795,121,962	\$ 1,848,585,856	\$ 1,866,552,964	\$ 1,884,907,588
Charity Care	\$ 43,345,832	\$ 43,613,199	\$ 43,885,912	\$ 44,233,622	\$ 45,550,190	\$ 45,992,636	\$ 46,444,626
Provision for Bad Debts	\$ 23,485,858	\$ 23,633,176	\$ 23,783,441	\$ 23,975,028	\$ 24,700,454	\$ 24,944,242	\$ 25,193,287
Other adj. and allowances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 1,825,901,802</b>	<b>\$ 1,837,173,842</b>	<b>\$ 1,848,671,324</b>	<b>\$ 1,863,330,613</b>	<b>\$ 1,918,836,501</b>	<b>\$ 1,937,489,843</b>	<b>\$ 1,956,545,500</b>
<b>NET PATIENT SERVICE REVENUE</b>	<b>\$ 650,769,389</b>	<b>\$ 654,773,984</b>	<b>\$ 658,858,670</b>	<b>\$ 664,066,645</b>	<b>\$ 683,786,107</b>	<b>\$ 690,413,040</b>	<b>\$ 697,182,904</b>
<b>OTHER OPERATING REVENUE</b>	<b>\$ 20,906,239</b>	<b>\$ 21,034,786</b>	<b>\$ 21,165,905</b>	<b>\$ 21,333,081</b>	<b>\$ 21,966,075</b>	<b>\$ 22,178,800</b>	<b>\$ 22,396,113</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 671,675,628</b>	<b>\$ 675,808,770</b>	<b>\$ 680,024,575</b>	<b>\$ 685,399,726</b>	<b>\$ 705,752,182</b>	<b>\$ 712,591,840</b>	<b>\$ 719,579,017</b>
<b>OPERATING EXPENSES</b>							
Salaries and Wages	\$ 261,202,350	\$ 263,404,211	\$ 265,650,108	\$ 268,718,500	\$ 278,942,011	\$ 282,277,576	\$ 285,685,082
Employee Benefits	\$ 53,606,701	\$ 54,011,468	\$ 54,424,330	\$ 54,988,391	\$ 56,867,774	\$ 57,480,949	\$ 58,107,349
Professional Fees	\$ 20,093,999	\$ 20,093,999	\$ 20,093,999	\$ 20,190,184	\$ 20,478,739	\$ 20,478,739	\$ 20,478,739
Supplies	\$ 76,703,974	\$ 77,313,748	\$ 77,935,717	\$ 78,728,728	\$ 81,731,381	\$ 82,740,454	\$ 83,771,291
Purchased Services - Utilities	\$ 2,256,723	\$ 2,256,723	\$ 2,256,723	\$ 2,343,790	\$ 2,604,991	\$ 2,604,991	\$ 2,604,991
Purchased Services - Other	\$ 157,946,573	\$ 157,946,573	\$ 157,946,573	\$ 158,326,943	\$ 159,468,051	\$ 159,468,051	\$ 159,468,051
Depreciation	\$ 27,068,997	\$ 27,068,997	\$ 27,068,997	\$ 28,955,934	\$ 34,616,744	\$ 34,616,744	\$ 34,616,744
Rentals and Leases	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308	\$ 8,404,308
Insurance	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644	\$ 8,366,644
License and Taxes	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460	\$ 5,533,460
Interest	\$ 12,983,550	\$ 12,983,550	\$ 12,983,550	\$ 15,024,619	\$ 16,437,294	\$ 16,377,903	\$ 16,315,784
Other Direct Expense	\$ 22,921,957	\$ 22,937,545	\$ 22,953,445	\$ 22,973,717	\$ 23,050,475	\$ 23,076,270	\$ 23,102,622
<b>TOTAL</b>	<b>\$ 657,089,238</b>	<b>\$ 660,321,227</b>	<b>\$ 663,617,856</b>	<b>\$ 672,555,218</b>	<b>\$ 696,501,873</b>	<b>\$ 701,426,091</b>	<b>\$ 706,455,066</b>
<b>INCOME/(LOSS) FROM OPERATIONS</b>	<b>\$ 14,586,391</b>	<b>\$ 15,487,543</b>	<b>\$ 16,406,719</b>	<b>\$ 12,844,508</b>	<b>\$ 9,250,309</b>	<b>\$ 11,165,750</b>	<b>\$ 13,123,951</b>

**MultiCare Good Samaritan Pro Forma  
Staffing**

FTE SCHEDULE	WITHOUT THE PROJECT						
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b>Productive FTEs</b>							
Management	37	37	37	37	37	37	37
RN	548	555	562	562	562	562	562
LPN	43	43	43	43	43	43	43
Professional	120	120	120	120	120	120	120
Technical	230	230	231	231	231	231	231
Physician	12	12	12	12	12	12	12
Supervision	34	34	34	34	34	34	34
Service/Maintenance	158	158	158	158	158	158	158
Resident	31	31	31	31	31	31	31
Orientation	30	30	30	30	30	30	30
Education	12	12	12	12	12	12	12
Professional Fixed	52	52	52	52	52	52	52
Technical Fixed	21	21	21	21	21	21	21
CNA/MA	209	212	216	216	216	216	216
Outside Wages	195	197	200	200	200	200	200
Service & Maintenance Fixed	81	81	81	81	81	81	81
Other	315	315	315	315	315	315	315
<b>Total Productive FTEs</b>	<b>2,126.46</b>	<b>2,141.13</b>	<b>2,156.09</b>	<b>2,156.09</b>	<b>2,156.09</b>	<b>2,156.09</b>	<b>2,156.09</b>
<b>Non-Productive FTEs</b>							
Paid Time Off (PTO)	177.16	178.36	179.58	179.58	179.58	179.58	179.58
Extended Illness (EIT)	31.29	31.51	31.73	31.73	31.73	31.73	31.73
Vacation	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Jury Duty	0.26	0.26	0.26	0.26	0.26	0.26	0.26
Sick Leave	5.91	5.95	5.98	5.98	5.98	5.98	5.98
Bereavement	3.44	3.47	3.49	3.49	3.49	3.49	3.49
<b>Total Non-Productive FTEs</b>	<b>218.34</b>	<b>219.82</b>	<b>221.33</b>	<b>221.33</b>	<b>221.33</b>	<b>221.33</b>	<b>221.33</b>
<b>Allocated FTEs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total FTEs</b>	<b>2,344.81</b>	<b>2,360.95</b>	<b>2,377.42</b>	<b>2,377.42</b>	<b>2,377.42</b>	<b>2,377.42</b>	<b>2,377.42</b>



**MultiCare Good Samaritan Pro Forma  
Staffing**

**WAGE & SALARIES SCHEDULE**

**WITHOUT THE PROJECT**

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<u>Direct Salaries</u>							
Management	6,293,504	6,293,504	6,293,504	6,293,504	6,293,504	6,293,504	6,293,504
RN	64,370,685	65,258,952	66,164,984	66,164,984	66,164,984	66,164,984	66,164,984
LPN	2,953,528	2,953,528	2,953,528	2,953,528	2,953,528	2,953,528	2,953,528
Professional	14,109,909	14,109,909	14,109,909	14,109,909	14,109,909	14,109,909	14,109,909
Technical	18,069,806	18,113,528	18,158,124	18,158,124	18,158,124	18,158,124	18,158,124
Physician	4,782,150	4,782,150	4,782,150	4,782,150	4,782,150	4,782,150	4,782,150
Supervision	3,787,047	3,801,639	3,816,523	3,816,523	3,816,523	3,816,523	3,816,523
Service/Maintenance	7,227,872	7,227,872	7,227,872	7,227,872	7,227,872	7,227,872	7,227,872
Resident	2,303,445	2,303,445	2,303,445	2,303,445	2,303,445	2,303,445	2,303,445
Orientation	2,015,392	2,030,940	2,046,800	2,046,800	2,046,800	2,046,800	2,046,800
Education	990,602	999,601	1,008,780	1,008,780	1,008,780	1,008,780	1,008,780
Professional Fixed	5,607,866	5,607,866	5,607,866	5,607,866	5,607,866	5,607,866	5,607,866
Technical Fixed	1,379,187	1,383,509	1,387,917	1,387,917	1,387,917	1,387,917	1,387,917
CNA/MA	10,238,346	10,428,810	10,623,083	10,623,083	10,623,083	10,623,083	10,623,083
Service & Maintenance Fixed	4,808,275	4,822,154	4,836,312	4,836,312	4,836,312	4,836,312	4,836,312
Other	48,016,701	48,016,701	48,016,701	48,016,701	48,016,701	48,016,701	48,016,701
Paid Time Off (PTO)	14,575,079	14,691,722	14,810,697	14,810,697	14,810,697	14,810,697	14,810,697
Extended Illness (EIT)	2,189,796	2,211,011	2,232,651	2,232,651	2,232,651	2,232,651	2,232,651
Vacation	14,642	14,642	14,642	14,642	14,642	14,642	14,642
Jury Duty	54,003	54,179	54,357	54,357	54,357	54,357	54,357
Sick Leave	351,637	354,807	358,039	358,039	358,039	358,039	358,039
Bereavement	236,087	238,322	240,601	240,601	240,601	240,601	240,601
<b>Total Direct Salaries</b>	<b>214,375,561</b>	<b>215,698,791</b>	<b>217,048,487</b>	<b>217,048,487</b>	<b>217,048,487</b>	<b>217,048,487</b>	<b>217,048,487</b>
<u>Contract Labor</u>							
Outside Wages	46,826,789	47,705,419	48,601,621	48,601,621	48,601,621	48,601,621	48,601,621
<b>Total Contract Labor</b>	<b>46,826,789</b>	<b>47,705,419</b>	<b>48,601,621</b>	<b>48,601,621</b>	<b>48,601,621</b>	<b>48,601,621</b>	<b>48,601,621</b>
Allocated Salaries	-	-	-	-	-	-	-
<b>Total Salaries</b>	<b>261,202,350</b>	<b>263,404,211</b>	<b>265,650,108</b>	<b>265,650,108</b>	<b>265,650,108</b>	<b>265,650,108</b>	<b>265,650,108</b>

<b>MultiCare Good Samaritan Pro Forma Staffing</b>
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<b>FTE SCHEDULE</b>	<b>THE PROJECT (Acute Care and Surgical Services Cost Centers Only)</b>
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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b>Productive FTEs</b>							
Management	-	-	-	3.00	5.00	5.00	5.00
RN	-	-	-	9.32	44.59	56.44	68.55
LPN	-	-	-				
Professional	-	-	-				
Technical	-	-	-	0.76	3.65	4.61	5.61
Physician							
Supervision	-	-	-	0.14	0.67	0.85	1.03
Service/Maintenance	-	-	-				
Resident	-	-	-				
Orientation	-	-	-	0.33	1.58	2.00	2.43
Education	-	-	-	0.14	0.67	0.85	1.03
Professional Fixed	-	-	-	-	-	-	-
Technical Fixed	-	-	-	0.10	0.49	0.62	0.75
CNA/MA	-	-	-	4.58	21.93	27.77	33.72
Outside Wages	-	-	-	3.35	16.04	20.30	24.66
Service & Maintenance Fixed	-	-	-	0.35	1.67	2.11	2.56
Other	-	-	-	-	-	-	-
<b>Total Productive FTEs</b>	-	-	-	22.07	96.28	120.55	145.34
<b>Non-Productive FTEs</b>							
Paid Time Off (PTO)	-	-	-	1.80	7.87	9.86	11.89
Extended Illness (EIT)	-	-	-	0.33	1.45	1.81	2.18
Vacation	-	-	-				
Jury Duty	-	-	-	0.00	0.01	0.01	0.02
Sick Leave	-	-	-	0.05	0.23	0.29	0.35
Bereavement	-	-	-	0.04	0.16	0.20	0.24
<b>Total Non-Productive FTEs</b>	-	-	-	2.23	9.72	12.17	14.68
<b>Allocated FTEs</b>							
<b>Total FTEs</b>	-	-	-	24.30	106.01	132.72	160.02

<b>MultiCare Good Samaritan Pro Forma Staffing</b>
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<b>WAGE &amp; SALARIES SCHEDULE</b>	<b>THE PROJECT (Acute Care and Surgical Services Cost Centers Only)</b>
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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<u>Direct Salaries</u>							
Management	-	-	-	417,694	696,157	696,157	696,157
RN	-	-	-	1,155,191	5,529,203	6,999,136	8,500,773
LPN	-	-	-	-	-	-	-
Professional	-	-	-	-	-	-	-
Technical	-	-	-	56,861	272,157	344,510	418,423
Physician	-	-	-	-	-	-	-
Supervision	-	-	-	18,977	90,831	114,979	139,647
Service/Maintenance	-	-	-	-	-	-	-
Resident	-	-	-	-	-	-	-
Orientation	-	-	-	20,221	96,786	122,517	148,802
Education	-	-	-	11,703	56,015	70,907	86,120
Professional Fixed	-	-	-	-	-	-	-
Technical Fixed	-	-	-	5,621	26,902	34,054	41,360
CNA/MA	-	-	-	5,532	26,477	33,516	40,707
Service & Maintenance Fixed	-	-	-	18,051	86,397	109,366	132,830
Other	-	-	-	-	-	-	-
Paid Time Off (PTO)	-	-	-	175,556	765,835	958,859	1,156,046
Extended Illness (EIT)	-	-	-	31,931	139,296	174,404	210,270
Vacation	-	-	-	-	-	-	-
Jury Duty	-	-	-	264	1,150	1,440	1,736
Sick Leave	-	-	-	4,770	20,808	26,052	31,410
Bereavement	-	-	-	3,364	14,673	18,372	22,150
<b>Total Direct Salaries</b>	-	-	-	1,925,734	7,822,688	9,704,268	11,626,429
<u>Contract Labor</u>							
Outside Wages	-	-	-	1,142,658	5,469,215	6,923,200	8,408,545
<b>Total Contract Labor</b>	-	-	-	1,142,658	5,469,215	6,923,200	8,408,545
Allocated Salaries	-	-	-	-	-	-	-
<b>Total Salaries</b>	-	-	-	3,068,391	13,291,903	16,627,467	20,034,974

**MultiCare Good Samaritan Pro Forma  
Staffing**

FTE SCHEDULE	WITH THE PROJECT						
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b>Productive FTEs</b>							
Management	36.71	36.71	36.71	39.71	41.71	41.71	41.71
RN	547.78	554.94	562.25	571.56	606.83	618.69	630.80
LPN	43.42	43.42	43.42	43.42	43.42	43.42	43.42
Professional	120.23	120.23	120.23	120.23	120.23	120.23	120.23
Technical	229.87	230.46	231.06	231.82	234.70	235.67	236.66
Physician	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Supervision	33.79	33.90	34.01	34.15	34.68	34.86	35.04
Service/Maintenance	157.81	157.81	157.81	157.81	157.81	157.81	157.81
Resident	31.22	31.22	31.22	31.22	31.22	31.22	31.22
Orientation	29.60	29.86	30.12	30.45	31.70	32.12	32.54
Education	11.91	12.01	12.12	12.26	12.80	12.98	13.16
Professional Fixed	51.68	51.68	51.68	51.68	51.68	51.68	51.68
Technical Fixed	21.29	21.37	21.45	21.55	21.94	22.07	22.20
CNA/MA	208.60	212.13	215.72	220.30	237.66	243.49	249.44
Outside Wages	194.70	197.28	199.91	203.26	215.95	220.21	224.57
Service & Maintenance Fixed	80.84	81.11	81.38	81.73	83.05	83.49	83.94
Other	315.00	315.00	315.00	315.00	315.00	315.00	315.00
<b>Total Productive FTEs</b>	<b>2,126.46</b>	<b>2,141.13</b>	<b>2,156.09</b>	<b>2,178.16</b>	<b>2,252.37</b>	<b>2,276.64</b>	<b>2,301.43</b>
<b>Non-Productive FTEs</b>							
Sick Leave	177.16	178.36	179.58	181.39	187.46	189.44	191.47
Vacation	31.29	31.51	31.73	32.06	33.18	33.54	33.92
Bereavement	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Jury Duty	0.26	0.26	0.26	0.26	0.27	0.28	0.28
Paid Time Off (PTO)	5.91	5.95	5.98	6.04	6.22	6.27	6.33
Extended Illness (EIT)	3.44	3.47	3.49	3.53	3.65	3.69	3.73
<b>Total Non-Productive FTEs</b>	<b>218.34</b>	<b>219.82</b>	<b>221.33</b>	<b>223.56</b>	<b>231.06</b>	<b>233.51</b>	<b>236.01</b>
Allocated FTEs	-	-	-	-	-	-	-
<b>Total FTEs</b>	<b>2,344.81</b>	<b>2,360.95</b>	<b>2,377.42</b>	<b>2,401.72</b>	<b>2,483.43</b>	<b>2,510.14</b>	<b>2,537.44</b>

**MultiCare Good Samaritan Pro Forma  
Staffing**

**WAGE & SALARIES SCHEDULE**

**WITH THE PROJECT**

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<u>Direct Salaries</u>							
Management	6,293,504	6,293,504	6,293,504	6,711,199	6,989,661	6,989,661	6,989,661
RN	64,370,685	65,258,952	66,164,984	67,320,175	71,694,188	73,164,121	74,665,758
LPN	2,953,528	2,953,528	2,953,528	2,953,528	2,953,528	2,953,528	2,953,528
Professional	14,109,909	14,109,909	14,109,909	14,109,909	14,109,909	14,109,909	14,109,909
Technical	18,069,806	18,113,528	18,158,124	18,214,985	18,430,281	18,502,634	18,576,547
Physician	4,782,150	4,782,150	4,782,150	4,782,150	4,782,150	4,782,150	4,782,150
Supervision	3,787,047	3,801,639	3,816,523	3,835,500	3,907,354	3,931,502	3,956,170
Service/Maintenance	7,227,872	7,227,872	7,227,872	7,227,872	7,227,872	7,227,872	7,227,872
Resident	2,303,445	2,303,445	2,303,445	2,303,445	2,303,445	2,303,445	2,303,445
Orientation	2,015,392	2,030,940	2,046,800	2,067,021	2,143,586	2,169,317	2,195,602
Education	990,602	999,601	1,008,780	1,020,483	1,064,795	1,079,686	1,094,899
Professional Fixed	5,607,866	5,607,866	5,607,866	5,607,866	5,607,866	5,607,866	5,607,866
Other Fixed	1,379,187	1,383,509	1,387,917	1,393,538	1,414,819	1,421,971	1,429,277
Service & Maintenance Fixed	10,238,346	10,428,810	10,623,083	10,628,614	10,649,560	10,656,599	10,663,789
CNA/MA	4,808,275	4,822,154	4,836,312	4,854,362	4,922,709	4,945,678	4,969,142
Other	48,016,701	48,016,701	48,016,701	48,016,701	48,016,701	48,016,701	48,016,701
Paid Time Off (PTO)	14,575,079	14,691,722	14,810,697	14,986,253	15,576,532	15,769,556	15,966,743
Extended Illness (EIT)	2,189,796	2,211,011	2,232,651	2,264,583	2,371,947	2,407,055	2,442,921
Vacation	14,642	14,642	14,642	14,642	14,642	14,642	14,642
Jury Duty	54,003	54,179	54,357	54,621	55,507	55,797	56,093
Sick Leave	351,637	354,807	358,039	362,809	378,847	384,091	389,449
Bereavement	236,087	238,322	240,601	243,965	255,275	258,973	262,751
<b>Total Direct Salaries</b>	<b>214,375,561</b>	<b>215,698,791</b>	<b>217,048,487</b>	<b>218,974,220</b>	<b>224,871,175</b>	<b>226,752,755</b>	<b>228,674,916</b>
<u>Contract Labor</u>							
Outside Wages	46,826,789	47,705,419	48,601,621	49,744,279	54,070,836	55,524,821	57,010,166
<b>Total Contract Labor</b>	<b>46,826,789</b>	<b>47,705,419</b>	<b>48,601,621</b>	<b>49,744,279</b>	<b>54,070,836</b>	<b>55,524,821</b>	<b>57,010,166</b>
Allocated Salaries	-	-	-	-	-	-	-
<b>Total Salaries</b>	<b>261,202,350</b>	<b>263,404,211</b>	<b>265,650,108</b>	<b>268,718,500</b>	<b>278,942,011</b>	<b>282,277,576</b>	<b>285,685,082</b>

<b>MultiCare Good Samaritan Pro Forma Depreciation</b>
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	Capital Expenditures	Useful Life	Monthly Depreciation
Buildout	\$ 359,057,672	60	\$ 498,691
Equipment	\$ 31,269,049	20	\$ 130,288
Capitalized Interest	\$ 13,971,881	60	\$ 19,405
<b>Total Financed</b>	<b>\$ 390,326,721</b>		<b>\$ 648,384</b>

% of Principal Financed:	50%
Principal Financed	\$ 195,163,360

	2026		2027		2028		2029		2030	
# of Months	<b>3</b>		<b>12</b>		<b>12</b>		<b>12</b>		<b>12</b>	
Buildout	\$	1,496,074	\$	5,984,295	\$	5,984,295	\$	5,984,295	\$	5,984,295
Equipment	\$	390,863	\$	1,563,452	\$	1,563,452	\$	1,563,452	\$	1,563,452
Capitalized Interest	\$	58,216	\$	232,865	\$	232,865	\$	232,865	\$	232,865
<b>Subtotal</b>	<b>\$</b>	<b>1,886,937</b>	<b>\$</b>	<b>7,547,747</b>	<b>\$</b>	<b>7,547,747</b>	<b>\$</b>	<b>7,547,747</b>	<b>\$</b>	<b>7,547,747</b>

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
1	June 1, 2026	\$195,163,360	\$988,864.08	\$0.00	\$988,864.08	\$257,001.48	\$731,863	\$292,745	\$194,906,359	\$731,863
2	July 1, 2026	\$194,906,359	\$988,864.08	\$0.00	\$988,864.08	\$257,965.23	\$730,899	\$292,360	\$194,648,394	\$1,462,761
3	August 1, 2026	\$194,648,394	\$988,864.08	\$0.00	\$988,864.08	\$258,932.60	\$729,931	\$291,973	\$194,389,461	\$2,192,693
4	September 1, 2026	\$194,389,461	\$988,864.08	\$0.00	\$988,864.08	\$259,903.60	\$728,960	\$291,584	\$194,129,557	\$2,921,653
5	October 1, 2026	\$194,129,557	\$988,864.08	\$0.00	\$988,864.08	\$260,878.24	\$727,986	\$291,194	\$193,868,679	\$3,649,639
6	November 1, 2026	\$193,868,679	\$988,864.08	\$0.00	\$988,864.08	\$261,856.53	\$727,008	\$290,803	\$193,606,823	\$4,376,647
7	December 1, 2026	\$193,606,823	\$988,864.08	\$0.00	\$988,864.08	\$262,838.49	\$726,026	\$290,410	\$193,343,984	\$5,102,672
8	January 1, 2027	\$193,343,984	\$988,864.08	\$0.00	\$988,864.08	\$263,824.14	\$725,040	\$290,016	\$193,080,160	\$5,827,712
9	February 1, 2027	\$193,080,160	\$988,864.08	\$0.00	\$988,864.08	\$264,813.48	\$724,051	\$289,620	\$192,815,346	\$6,551,763
10	March 1, 2027	\$192,815,346	\$988,864.08	\$0.00	\$988,864.08	\$265,806.53	\$723,058	\$289,223	\$192,549,540	\$7,274,820
11	April 1, 2027	\$192,549,540	\$988,864.08	\$0.00	\$988,864.08	\$266,803.30	\$722,061	\$288,824	\$192,282,737	\$7,996,881
12	May 1, 2027	\$192,282,737	\$988,864.08	\$0.00	\$988,864.08	\$267,803.81	\$721,060	\$288,424	\$192,014,933	\$8,717,941
13	June 1, 2027	\$192,014,933	\$988,864.08	\$0.00	\$988,864.08	\$268,808.08	\$720,056	\$288,022	\$191,746,125	\$9,437,997
14	July 1, 2027	\$191,746,125	\$988,864.08	\$0.00	\$988,864.08	\$269,816.11	\$719,048	\$287,619	\$191,476,309	\$10,157,045
15	August 1, 2027	\$191,476,309	\$988,864.08	\$0.00	\$988,864.08	\$270,827.92	\$718,036	\$287,214	\$191,205,481	\$10,875,082
16	September 1, 2027	\$191,205,481	\$988,864.08	\$0.00	\$988,864.08	\$271,843.52	\$717,021	\$286,808	\$190,933,637	\$11,592,102
17	October 1, 2027	\$190,933,637	\$988,864.08	\$0.00	\$988,864.08	\$272,862.94	\$716,001	\$286,400	\$190,660,774	\$12,308,103

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
18	November 1, 2027	\$190,660,774	\$988,864.08	\$0.00	\$988,864.08	\$273,886.17	\$714,978	\$285,991	\$190,386,888	\$13,023,081
19	December 1, 2027	\$190,386,888	\$988,864.08	\$0.00	\$988,864.08	\$274,913.25	\$713,951	\$285,580	\$190,111,975	\$13,737,032
20	January 1, 2028	\$190,111,975	\$988,864.08	\$0.00	\$988,864.08	\$275,944.17	\$712,920	\$285,168	\$189,836,031	\$14,449,952
21	February 1, 2028	\$189,836,031	\$988,864.08	\$0.00	\$988,864.08	\$276,978.96	\$711,885	\$284,754	\$189,559,052	\$15,161,837
22	March 1, 2028	\$189,559,052	\$988,864.08	\$0.00	\$988,864.08	\$278,017.63	\$710,846	\$284,339	\$189,281,034	\$15,872,684
23	April 1, 2028	\$189,281,034	\$988,864.08	\$0.00	\$988,864.08	\$279,060.20	\$709,804	\$283,922	\$189,001,974	\$16,582,487
24	May 1, 2028	\$189,001,974	\$988,864.08	\$0.00	\$988,864.08	\$280,106.67	\$708,757	\$283,503	\$188,721,867	\$17,291,245
25	June 1, 2028	\$188,721,867	\$988,864.08	\$0.00	\$988,864.08	\$281,157.07	\$707,707	\$283,083	\$188,440,710	\$17,998,952
26	July 1, 2028	\$188,440,710	\$988,864.08	\$0.00	\$988,864.08	\$282,211.41	\$706,653	\$282,661	\$188,158,499	\$18,705,604
27	August 1, 2028	\$188,158,499	\$988,864.08	\$0.00	\$988,864.08	\$283,269.71	\$705,594	\$282,238	\$187,875,229	\$19,411,199
28	September 1, 2028	\$187,875,229	\$988,864.08	\$0.00	\$988,864.08	\$284,331.97	\$704,532	\$281,813	\$187,590,897	\$20,115,731
29	October 1, 2028	\$187,590,897	\$988,864.08	\$0.00	\$988,864.08	\$285,398.21	\$703,466	\$281,386	\$187,305,499	\$20,819,197
30	November 1, 2028	\$187,305,499	\$988,864.08	\$0.00	\$988,864.08	\$286,468.46	\$702,396	\$280,958	\$187,019,030	\$21,521,592
31	December 1, 2028	\$187,019,030	\$988,864.08	\$0.00	\$988,864.08	\$287,542.71	\$701,321	\$280,529	\$186,731,488	\$22,222,914
32	January 1, 2029	\$186,731,488	\$988,864.08	\$0.00	\$988,864.08	\$288,621.00	\$700,243	\$280,097	\$186,442,867	\$22,923,157
33	February 1, 2029	\$186,442,867	\$988,864.08	\$0.00	\$988,864.08	\$289,703.33	\$699,161	\$279,664	\$186,153,163	\$23,622,318
34	March 1, 2029	\$186,153,163	\$988,864.08	\$0.00	\$988,864.08	\$290,789.71	\$698,074	\$279,230	\$185,862,374	\$24,320,392
35	April 1, 2029	\$185,862,374	\$988,864.08	\$0.00	\$988,864.08	\$291,880.18	\$696,984	\$278,794	\$185,570,493	\$25,017,376
36	May 1, 2029	\$185,570,493	\$988,864.08	\$0.00	\$988,864.08	\$292,974.73	\$695,889	\$278,356	\$185,277,519	\$25,713,265
37	June 1, 2029	\$185,277,519	\$988,864.08	\$0.00	\$988,864.08	\$294,073.38	\$694,791	\$277,916	\$184,983,445	\$26,408,056
38	July 1, 2029	\$184,983,445	\$988,864.08	\$0.00	\$988,864.08	\$295,176.16	\$693,688	\$277,475	\$184,688,269	\$27,101,744
39	August 1, 2029	\$184,688,269	\$988,864.08	\$0.00	\$988,864.08	\$296,283.07	\$692,581	\$277,032	\$184,391,986	\$27,794,325
40	September 1, 2029	\$184,391,986	\$988,864.08	\$0.00	\$988,864.08	\$297,394.13	\$691,470	\$276,588	\$184,094,592	\$28,485,795



# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
41	October 1, 2029	\$184,094,592	\$988,864.08	\$0.00	\$988,864.08	\$298,509.36	\$690,355	\$276,142	\$183,796,083	\$29,176,150
42	November 1, 2029	\$183,796,083	\$988,864.08	\$0.00	\$988,864.08	\$299,628.77	\$689,235	\$275,694	\$183,496,454	\$29,865,385
43	December 1, 2029	\$183,496,454	\$988,864.08	\$0.00	\$988,864.08	\$300,752.37	\$688,112	\$275,245	\$183,195,701	\$30,553,497
44	January 1, 2030	\$183,195,701	\$988,864.08	\$0.00	\$988,864.08	\$301,880.20	\$686,984	\$274,794	\$182,893,821	\$31,240,480
45	February 1, 2030	\$182,893,821	\$988,864.08	\$0.00	\$988,864.08	\$303,012.25	\$685,852	\$274,341	\$182,590,809	\$31,926,332
46	March 1, 2030	\$182,590,809	\$988,864.08	\$0.00	\$988,864.08	\$304,148.54	\$684,716	\$273,886	\$182,286,661	\$32,611,048
47	April 1, 2030	\$182,286,661	\$988,864.08	\$0.00	\$988,864.08	\$305,289.10	\$683,575	\$273,430	\$181,981,371	\$33,294,623
48	May 1, 2030	\$181,981,371	\$988,864.08	\$0.00	\$988,864.08	\$306,433.93	\$682,430	\$272,972	\$181,674,937	\$33,977,053
49	June 1, 2030	\$181,674,937	\$988,864.08	\$0.00	\$988,864.08	\$307,583.06	\$681,281	\$272,512	\$181,367,354	\$34,658,334
50	July 1, 2030	\$181,367,354	\$988,864.08	\$0.00	\$988,864.08	\$308,736.50	\$680,128	\$272,051	\$181,058,618	\$35,338,461
51	August 1, 2030	\$181,058,618	\$988,864.08	\$0.00	\$988,864.08	\$309,894.26	\$678,970	\$271,588	\$180,748,724	\$36,017,431
52	September 1, 2030	\$180,748,724	\$988,864.08	\$0.00	\$988,864.08	\$311,056.36	\$677,808	\$271,123	\$180,437,667	\$36,695,239
53	October 1, 2030	\$180,437,667	\$988,864.08	\$0.00	\$988,864.08	\$312,222.82	\$676,641	\$270,657	\$180,125,444	\$37,371,880
54	November 1, 2030	\$180,125,444	\$988,864.08	\$0.00	\$988,864.08	\$313,393.66	\$675,470	\$270,188	\$179,812,051	\$38,047,351
55	December 1, 2030	\$179,812,051	\$988,864.08	\$0.00	\$988,864.08	\$314,568.89	\$674,295	\$269,718	\$179,497,482	\$38,721,646
56	January 1, 2031	\$179,497,482	\$988,864.08	\$0.00	\$988,864.08	\$315,748.52	\$673,116	\$269,246	\$179,181,733	\$39,394,761
57	February 1, 2031	\$179,181,733	\$988,864.08	\$0.00	\$988,864.08	\$316,932.58	\$671,932	\$268,773	\$178,864,801	\$40,066,693
58	March 1, 2031	\$178,864,801	\$988,864.08	\$0.00	\$988,864.08	\$318,121.07	\$670,743	\$268,297	\$178,546,680	\$40,737,436
59	April 1, 2031	\$178,546,680	\$988,864.08	\$0.00	\$988,864.08	\$319,314.03	\$669,550	\$267,820	\$178,227,366	\$41,406,986
60	May 1, 2031	\$178,227,366	\$988,864.08	\$0.00	\$988,864.08	\$320,511.46	\$668,353	\$267,341	\$177,906,854	\$42,075,339
61	June 1, 2031	\$177,906,854	\$988,864.08	\$0.00	\$988,864.08	\$321,713.37	\$667,151	\$266,860	\$177,585,141	\$42,742,489
62	July 1, 2031	\$177,585,141	\$988,864.08	\$0.00	\$988,864.08	\$322,919.80	\$665,944	\$266,378	\$177,262,221	\$43,408,434
63	August 1, 2031	\$177,262,221	\$988,864.08	\$0.00	\$988,864.08	\$324,130.75	\$664,733	\$265,893	\$176,938,090	\$44,073,167

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
64	September 1, 2031	\$176,938,090	\$988,864.08	\$0.00	\$988,864.08	\$325,346.24	\$663,518	\$265,407	\$176,612,744	\$44,736,685
65	October 1, 2031	\$176,612,744	\$988,864.08	\$0.00	\$988,864.08	\$326,566.29	\$662,298	\$264,919	\$176,286,178	\$45,398,983
66	November 1, 2031	\$176,286,178	\$988,864.08	\$0.00	\$988,864.08	\$327,790.91	\$661,073	\$264,429	\$175,958,387	\$46,060,056
67	December 1, 2031	\$175,958,387	\$988,864.08	\$0.00	\$988,864.08	\$329,020.13	\$659,844	\$263,938	\$175,629,367	\$46,719,900
68	January 1, 2032	\$175,629,367	\$988,864.08	\$0.00	\$988,864.08	\$330,253.95	\$658,610	\$263,444	\$175,299,113	\$47,378,510
69	February 1, 2032	\$175,299,113	\$988,864.08	\$0.00	\$988,864.08	\$331,492.40	\$657,372	\$262,949	\$174,967,620	\$48,035,881
70	March 1, 2032	\$174,967,620	\$988,864.08	\$0.00	\$988,864.08	\$332,735.50	\$656,129	\$262,451	\$174,634,885	\$48,692,010
71	April 1, 2032	\$174,634,885	\$988,864.08	\$0.00	\$988,864.08	\$333,983.26	\$654,881	\$261,952	\$174,300,902	\$49,346,891
72	May 1, 2032	\$174,300,902	\$988,864.08	\$0.00	\$988,864.08	\$335,235.70	\$653,628	\$261,451	\$173,965,666	\$50,000,519
73	June 1, 2032	\$173,965,666	\$988,864.08	\$0.00	\$988,864.08	\$336,492.83	\$652,371	\$260,948	\$173,629,173	\$50,652,890
74	July 1, 2032	\$173,629,173	\$988,864.08	\$0.00	\$988,864.08	\$337,754.68	\$651,109	\$260,444	\$173,291,418	\$51,304,000
75	August 1, 2032	\$173,291,418	\$988,864.08	\$0.00	\$988,864.08	\$339,021.26	\$649,843	\$259,937	\$172,952,397	\$51,953,843
76	September 1, 2032	\$172,952,397	\$988,864.08	\$0.00	\$988,864.08	\$340,292.59	\$648,571	\$259,429	\$172,612,105	\$52,602,414
77	October 1, 2032	\$172,612,105	\$988,864.08	\$0.00	\$988,864.08	\$341,568.68	\$647,295	\$258,918	\$172,270,536	\$53,249,710
78	November 1, 2032	\$172,270,536	\$988,864.08	\$0.00	\$988,864.08	\$342,849.57	\$646,015	\$258,406	\$171,927,686	\$53,895,724
79	December 1, 2032	\$171,927,686	\$988,864.08	\$0.00	\$988,864.08	\$344,135.25	\$644,729	\$257,892	\$171,583,551	\$54,540,453
80	January 1, 2033	\$171,583,551	\$988,864.08	\$0.00	\$988,864.08	\$345,425.76	\$643,438	\$257,375	\$171,238,125	\$55,183,891
81	February 1, 2033	\$171,238,125	\$988,864.08	\$0.00	\$988,864.08	\$346,721.11	\$642,143	\$256,857	\$170,891,404	\$55,826,034
82	March 1, 2033	\$170,891,404	\$988,864.08	\$0.00	\$988,864.08	\$348,021.31	\$640,843	\$256,337	\$170,543,383	\$56,466,877
83	April 1, 2033	\$170,543,383	\$988,864.08	\$0.00	\$988,864.08	\$349,326.39	\$639,538	\$255,815	\$170,194,057	\$57,106,415
84	May 1, 2033	\$170,194,057	\$988,864.08	\$0.00	\$988,864.08	\$350,636.36	\$638,228	\$255,291	\$169,843,420	\$57,744,642
85	June 1, 2033	\$169,843,420	\$988,864.08	\$0.00	\$988,864.08	\$351,951.25	\$636,913	\$254,765	\$169,491,469	\$58,381,555
86	July 1, 2033	\$169,491,469	\$988,864.08	\$0.00	\$988,864.08	\$353,271.07	\$635,593	\$254,237	\$169,138,198	\$59,017,148

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
87	August 1, 2033	\$169,138,198	\$988,864.08	\$0.00	\$988,864.08	\$354,595.83	\$634,268	\$253,707	\$168,783,602	\$59,651,416
88	September 1, 2033	\$168,783,602	\$988,864.08	\$0.00	\$988,864.08	\$355,925.57	\$632,939	\$253,175	\$168,427,676	\$60,284,355
89	October 1, 2033	\$168,427,676	\$988,864.08	\$0.00	\$988,864.08	\$357,260.29	\$631,604	\$252,642	\$168,070,416	\$60,915,959
90	November 1, 2033	\$168,070,416	\$988,864.08	\$0.00	\$988,864.08	\$358,600.02	\$630,264	\$252,106	\$167,711,816	\$61,546,223
91	December 1, 2033	\$167,711,816	\$988,864.08	\$0.00	\$988,864.08	\$359,944.77	\$628,919	\$251,568	\$167,351,871	\$62,175,142
92	January 1, 2034	\$167,351,871	\$988,864.08	\$0.00	\$988,864.08	\$361,294.56	\$627,570	\$251,028	\$166,990,577	\$62,802,712
93	February 1, 2034	\$166,990,577	\$988,864.08	\$0.00	\$988,864.08	\$362,649.41	\$626,215	\$250,486	\$166,627,927	\$63,428,926
94	March 1, 2034	\$166,627,927	\$988,864.08	\$0.00	\$988,864.08	\$364,009.35	\$624,855	\$249,942	\$166,263,918	\$64,053,781
95	April 1, 2034	\$166,263,918	\$988,864.08	\$0.00	\$988,864.08	\$365,374.38	\$623,490	\$249,396	\$165,898,544	\$64,677,271
96	May 1, 2034	\$165,898,544	\$988,864.08	\$0.00	\$988,864.08	\$366,744.54	\$622,120	\$248,848	\$165,531,799	\$65,299,390
97	June 1, 2034	\$165,531,799	\$988,864.08	\$0.00	\$988,864.08	\$368,119.83	\$620,744	\$248,298	\$165,163,679	\$65,920,135
98	July 1, 2034	\$165,163,679	\$988,864.08	\$0.00	\$988,864.08	\$369,500.28	\$619,364	\$247,746	\$164,794,179	\$66,539,498
99	August 1, 2034	\$164,794,179	\$988,864.08	\$0.00	\$988,864.08	\$370,885.91	\$617,978	\$247,191	\$164,423,293	\$67,157,476
100	September 1, 2034	\$164,423,293	\$988,864.08	\$0.00	\$988,864.08	\$372,276.73	\$616,587	\$246,635	\$164,051,016	\$67,774,064
101	October 1, 2034	\$164,051,016	\$988,864.08	\$0.00	\$988,864.08	\$373,672.76	\$615,191	\$246,077	\$163,677,344	\$68,389,255
102	November 1, 2034	\$163,677,344	\$988,864.08	\$0.00	\$988,864.08	\$375,074.04	\$613,790	\$245,516	\$163,302,270	\$69,003,045
103	December 1, 2034	\$163,302,270	\$988,864.08	\$0.00	\$988,864.08	\$376,480.57	\$612,384	\$244,953	\$162,925,789	\$69,615,429
104	January 1, 2035	\$162,925,789	\$988,864.08	\$0.00	\$988,864.08	\$377,892.37	\$610,972	\$244,389	\$162,547,897	\$70,226,400
105	February 1, 2035	\$162,547,897	\$988,864.08	\$0.00	\$988,864.08	\$379,309.46	\$609,555	\$243,822	\$162,168,587	\$70,835,955
106	March 1, 2035	\$162,168,587	\$988,864.08	\$0.00	\$988,864.08	\$380,731.87	\$608,132	\$243,253	\$161,787,855	\$71,444,087
107	April 1, 2035	\$161,787,855	\$988,864.08	\$0.00	\$988,864.08	\$382,159.62	\$606,704	\$242,682	\$161,405,696	\$72,050,792
108	May 1, 2035	\$161,405,696	\$988,864.08	\$0.00	\$988,864.08	\$383,592.72	\$605,271	\$242,109	\$161,022,103	\$72,656,063
109	June 1, 2035	\$161,022,103	\$988,864.08	\$0.00	\$988,864.08	\$385,031.19	\$603,833	\$241,533	\$160,637,072	\$73,259,896

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
110	July 1, 2035	\$160,637,072	\$988,864.08	\$0.00	\$988,864.08	\$386,475.06	\$602,389	\$240,956	\$160,250,597	\$73,862,285
111	August 1, 2035	\$160,250,597	\$988,864.08	\$0.00	\$988,864.08	\$387,924.34	\$600,940	\$240,376	\$159,862,672	\$74,463,225
112	September 1, 2035	\$159,862,672	\$988,864.08	\$0.00	\$988,864.08	\$389,379.05	\$599,485	\$239,794	\$159,473,293	\$75,062,710
113	October 1, 2035	\$159,473,293	\$988,864.08	\$0.00	\$988,864.08	\$390,839.23	\$598,025	\$239,210	\$159,082,454	\$75,660,735
114	November 1, 2035	\$159,082,454	\$988,864.08	\$0.00	\$988,864.08	\$392,304.87	\$596,559	\$238,624	\$158,690,149	\$76,257,294
115	December 1, 2035	\$158,690,149	\$988,864.08	\$0.00	\$988,864.08	\$393,776.02	\$595,088	\$238,035	\$158,296,373	\$76,852,382
116	January 1, 2036	\$158,296,373	\$988,864.08	\$0.00	\$988,864.08	\$395,252.68	\$593,611	\$237,445	\$157,901,121	\$77,445,993
117	February 1, 2036	\$157,901,121	\$988,864.08	\$0.00	\$988,864.08	\$396,734.87	\$592,129	\$236,852	\$157,504,386	\$78,038,122
118	March 1, 2036	\$157,504,386	\$988,864.08	\$0.00	\$988,864.08	\$398,222.63	\$590,641	\$236,257	\$157,106,163	\$78,628,764
119	April 1, 2036	\$157,106,163	\$988,864.08	\$0.00	\$988,864.08	\$399,715.97	\$589,148	\$235,659	\$156,706,447	\$79,217,912
120	May 1, 2036	\$156,706,447	\$988,864.08	\$0.00	\$988,864.08	\$401,214.90	\$587,649	\$235,060	\$156,305,232	\$79,805,561
121	June 1, 2036	\$156,305,232	\$988,864.08	\$0.00	\$988,864.08	\$402,719.46	\$586,145	\$234,458	\$155,902,513	\$80,391,706
122	July 1, 2036	\$155,902,513	\$988,864.08	\$0.00	\$988,864.08	\$404,229.65	\$584,634	\$233,854	\$155,498,283	\$80,976,340
123	August 1, 2036	\$155,498,283	\$988,864.08	\$0.00	\$988,864.08	\$405,745.51	\$583,119	\$233,247	\$155,092,538	\$81,559,459
124	September 1, 2036	\$155,092,538	\$988,864.08	\$0.00	\$988,864.08	\$407,267.06	\$581,597	\$232,639	\$154,685,271	\$82,141,056
125	October 1, 2036	\$154,685,271	\$988,864.08	\$0.00	\$988,864.08	\$408,794.31	\$580,070	\$232,028	\$154,276,476	\$82,721,126
126	November 1, 2036	\$154,276,476	\$988,864.08	\$0.00	\$988,864.08	\$410,327.29	\$578,537	\$231,415	\$153,866,149	\$83,299,662
127	December 1, 2036	\$153,866,149	\$988,864.08	\$0.00	\$988,864.08	\$411,866.02	\$576,998	\$230,799	\$153,454,283	\$83,876,660
128	January 1, 2037	\$153,454,283	\$988,864.08	\$0.00	\$988,864.08	\$413,410.52	\$575,454	\$230,181	\$153,040,872	\$84,452,114
129	February 1, 2037	\$153,040,872	\$988,864.08	\$0.00	\$988,864.08	\$414,960.81	\$573,903	\$229,561	\$152,625,912	\$85,026,017
130	March 1, 2037	\$152,625,912	\$988,864.08	\$0.00	\$988,864.08	\$416,516.91	\$572,347	\$228,939	\$152,209,395	\$85,598,364
131	April 1, 2037	\$152,209,395	\$988,864.08	\$0.00	\$988,864.08	\$418,078.85	\$570,785	\$228,314	\$151,791,316	\$86,169,150
132	May 1, 2037	\$151,791,316	\$988,864.08	\$0.00	\$988,864.08	\$419,646.64	\$569,217	\$227,687	\$151,371,669	\$86,738,367

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
133	June 1, 2037	\$151,371,669	\$988,864.08	\$0.00	\$988,864.08	\$421,220.32	\$567,644	\$227,058	\$150,950,449	\$87,306,011
134	July 1, 2037	\$150,950,449	\$988,864.08	\$0.00	\$988,864.08	\$422,799.89	\$566,064	\$226,426	\$150,527,649	\$87,872,075
135	August 1, 2037	\$150,527,649	\$988,864.08	\$0.00	\$988,864.08	\$424,385.39	\$564,479	\$225,791	\$150,103,264	\$88,436,554
136	September 1, 2037	\$150,103,264	\$988,864.08	\$0.00	\$988,864.08	\$425,976.84	\$562,887	\$225,155	\$149,677,287	\$88,999,441
137	October 1, 2037	\$149,677,287	\$988,864.08	\$0.00	\$988,864.08	\$427,574.25	\$561,290	\$224,516	\$149,249,712	\$89,560,731
138	November 1, 2037	\$149,249,712	\$988,864.08	\$0.00	\$988,864.08	\$429,177.65	\$559,686	\$223,875	\$148,820,535	\$90,120,417
139	December 1, 2037	\$148,820,535	\$988,864.08	\$0.00	\$988,864.08	\$430,787.07	\$558,077	\$223,231	\$148,389,748	\$90,678,494
140	January 1, 2038	\$148,389,748	\$988,864.08	\$0.00	\$988,864.08	\$432,402.52	\$556,462	\$222,585	\$147,957,345	\$91,234,956
141	February 1, 2038	\$147,957,345	\$988,864.08	\$0.00	\$988,864.08	\$434,024.03	\$554,840	\$221,936	\$147,523,321	\$91,789,796
142	March 1, 2038	\$147,523,321	\$988,864.08	\$0.00	\$988,864.08	\$435,651.62	\$553,212	\$221,285	\$147,087,670	\$92,343,008
143	April 1, 2038	\$147,087,670	\$988,864.08	\$0.00	\$988,864.08	\$437,285.32	\$551,579	\$220,632	\$146,650,384	\$92,894,587
144	May 1, 2038	\$146,650,384	\$988,864.08	\$0.00	\$988,864.08	\$438,925.14	\$549,939	\$219,976	\$146,211,459	\$93,444,526
145	June 1, 2038	\$146,211,459	\$988,864.08	\$0.00	\$988,864.08	\$440,571.10	\$548,293	\$219,317	\$145,770,888	\$93,992,819
146	July 1, 2038	\$145,770,888	\$988,864.08	\$0.00	\$988,864.08	\$442,223.25	\$546,641	\$218,656	\$145,328,665	\$94,539,460
147	August 1, 2038	\$145,328,665	\$988,864.08	\$0.00	\$988,864.08	\$443,881.58	\$544,982	\$217,993	\$144,884,783	\$95,084,442
148	September 1, 2038	\$144,884,783	\$988,864.08	\$0.00	\$988,864.08	\$445,546.14	\$543,318	\$217,327	\$144,439,237	\$95,627,760
149	October 1, 2038	\$144,439,237	\$988,864.08	\$0.00	\$988,864.08	\$447,216.94	\$541,647	\$216,659	\$143,992,020	\$96,169,407
150	November 1, 2038	\$143,992,020	\$988,864.08	\$0.00	\$988,864.08	\$448,894.00	\$539,970	\$215,988	\$143,543,126	\$96,709,377
151	December 1, 2038	\$143,543,126	\$988,864.08	\$0.00	\$988,864.08	\$450,577.35	\$538,287	\$215,315	\$143,092,549	\$97,247,664
152	January 1, 2039	\$143,092,549	\$988,864.08	\$0.00	\$988,864.08	\$452,267.02	\$536,597	\$214,639	\$142,640,282	\$97,784,261
153	February 1, 2039	\$142,640,282	\$988,864.08	\$0.00	\$988,864.08	\$453,963.02	\$534,901	\$213,960	\$142,186,319	\$98,319,162
154	March 1, 2039	\$142,186,319	\$988,864.08	\$0.00	\$988,864.08	\$455,665.38	\$533,199	\$213,279	\$141,730,653	\$98,852,361
155	April 1, 2039	\$141,730,653	\$988,864.08	\$0.00	\$988,864.08	\$457,374.13	\$531,490	\$212,596	\$141,273,279	\$99,383,851

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
156	May 1, 2039	\$141,273,279	\$988,864.08	\$0.00	\$988,864.08	\$459,089.28	\$529,775	\$211,910	\$140,814,190	\$99,913,626
157	June 1, 2039	\$140,814,190	\$988,864.08	\$0.00	\$988,864.08	\$460,810.86	\$528,053	\$211,221	\$140,353,379	\$100,441,679
158	July 1, 2039	\$140,353,379	\$988,864.08	\$0.00	\$988,864.08	\$462,538.91	\$526,325	\$210,530	\$139,890,840	\$100,968,004
159	August 1, 2039	\$139,890,840	\$988,864.08	\$0.00	\$988,864.08	\$464,273.43	\$524,591	\$209,836	\$139,426,567	\$101,492,595
160	September 1, 2039	\$139,426,567	\$988,864.08	\$0.00	\$988,864.08	\$466,014.45	\$522,850	\$209,140	\$138,960,552	\$102,015,444
161	October 1, 2039	\$138,960,552	\$988,864.08	\$0.00	\$988,864.08	\$467,762.01	\$521,102	\$208,441	\$138,492,790	\$102,536,546
162	November 1, 2039	\$138,492,790	\$988,864.08	\$0.00	\$988,864.08	\$469,516.11	\$519,348	\$207,739	\$138,023,274	\$103,055,894
163	December 1, 2039	\$138,023,274	\$988,864.08	\$0.00	\$988,864.08	\$471,276.80	\$517,587	\$207,035	\$137,551,997	\$103,573,482
164	January 1, 2040	\$137,551,997	\$988,864.08	\$0.00	\$988,864.08	\$473,044.09	\$515,820	\$206,328	\$137,078,953	\$104,089,302
165	February 1, 2040	\$137,078,953	\$988,864.08	\$0.00	\$988,864.08	\$474,818.00	\$514,046	\$205,618	\$136,604,135	\$104,603,348
166	March 1, 2040	\$136,604,135	\$988,864.08	\$0.00	\$988,864.08	\$476,598.57	\$512,266	\$204,906	\$136,127,537	\$105,115,613
167	April 1, 2040	\$136,127,537	\$988,864.08	\$0.00	\$988,864.08	\$478,385.81	\$510,478	\$204,191	\$135,649,151	\$105,626,091
168	May 1, 2040	\$135,649,151	\$988,864.08	\$0.00	\$988,864.08	\$480,179.76	\$508,684	\$203,474	\$135,168,971	\$106,134,776
169	June 1, 2040	\$135,168,971	\$988,864.08	\$0.00	\$988,864.08	\$481,980.43	\$506,884	\$202,753	\$134,686,991	\$106,641,659
170	July 1, 2040	\$134,686,991	\$988,864.08	\$0.00	\$988,864.08	\$483,787.86	\$505,076	\$202,030	\$134,203,203	\$107,146,736
171	August 1, 2040	\$134,203,203	\$988,864.08	\$0.00	\$988,864.08	\$485,602.07	\$503,262	\$201,305	\$133,717,601	\$107,649,998
172	September 1, 2040	\$133,717,601	\$988,864.08	\$0.00	\$988,864.08	\$487,423.07	\$501,441	\$200,576	\$133,230,178	\$108,151,439
173	October 1, 2040	\$133,230,178	\$988,864.08	\$0.00	\$988,864.08	\$489,250.91	\$499,613	\$199,845	\$132,740,927	\$108,651,052
174	November 1, 2040	\$132,740,927	\$988,864.08	\$0.00	\$988,864.08	\$491,085.60	\$497,778	\$199,111	\$132,249,841	\$109,148,830
175	December 1, 2040	\$132,249,841	\$988,864.08	\$0.00	\$988,864.08	\$492,927.17	\$495,937	\$198,375	\$131,756,914	\$109,644,767
176	January 1, 2041	\$131,756,914	\$988,864.08	\$0.00	\$988,864.08	\$494,775.65	\$494,088	\$197,635	\$131,262,138	\$110,138,856
177	February 1, 2041	\$131,262,138	\$988,864.08	\$0.00	\$988,864.08	\$496,631.06	\$492,233	\$196,893	\$130,765,507	\$110,631,089
178	March 1, 2041	\$130,765,507	\$988,864.08	\$0.00	\$988,864.08	\$498,493.42	\$490,371	\$196,148	\$130,267,014	\$111,121,459

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
179	April 1, 2041	\$130,267,014	\$988,864.08	\$0.00	\$988,864.08	\$500,362.77	\$488,501	\$195,401	\$129,766,651	\$111,609,961
180	May 1, 2041	\$129,766,651	\$988,864.08	\$0.00	\$988,864.08	\$502,239.13	\$486,625	\$194,650	\$129,264,412	\$112,096,586
181	June 1, 2041	\$129,264,412	\$988,864.08	\$0.00	\$988,864.08	\$504,122.53	\$484,742	\$193,897	\$128,760,289	\$112,581,327
182	July 1, 2041	\$128,760,289	\$988,864.08	\$0.00	\$988,864.08	\$506,012.99	\$482,851	\$193,140	\$128,254,276	\$113,064,178
183	August 1, 2041	\$128,254,276	\$988,864.08	\$0.00	\$988,864.08	\$507,910.54	\$480,954	\$192,381	\$127,746,366	\$113,545,132
184	September 1, 2041	\$127,746,366	\$988,864.08	\$0.00	\$988,864.08	\$509,815.20	\$479,049	\$191,620	\$127,236,551	\$114,024,181
185	October 1, 2041	\$127,236,551	\$988,864.08	\$0.00	\$988,864.08	\$511,727.01	\$477,137	\$190,855	\$126,724,824	\$114,501,318
186	November 1, 2041	\$126,724,824	\$988,864.08	\$0.00	\$988,864.08	\$513,645.99	\$475,218	\$190,087	\$126,211,178	\$114,976,536
187	December 1, 2041	\$126,211,178	\$988,864.08	\$0.00	\$988,864.08	\$515,572.16	\$473,292	\$189,317	\$125,695,606	\$115,449,828
188	January 1, 2042	\$125,695,606	\$988,864.08	\$0.00	\$988,864.08	\$517,505.56	\$471,359	\$188,543	\$125,178,100	\$115,921,186
189	February 1, 2042	\$125,178,100	\$988,864.08	\$0.00	\$988,864.08	\$519,446.20	\$469,418	\$187,767	\$124,658,654	\$116,390,604
190	March 1, 2042	\$124,658,654	\$988,864.08	\$0.00	\$988,864.08	\$521,394.12	\$467,470	\$186,988	\$124,137,260	\$116,858,074
191	April 1, 2042	\$124,137,260	\$988,864.08	\$0.00	\$988,864.08	\$523,349.35	\$465,515	\$186,206	\$123,613,910	\$117,323,589
192	May 1, 2042	\$123,613,910	\$988,864.08	\$0.00	\$988,864.08	\$525,311.91	\$463,552	\$185,421	\$123,088,598	\$117,787,141
193	June 1, 2042	\$123,088,598	\$988,864.08	\$0.00	\$988,864.08	\$527,281.83	\$461,582	\$184,633	\$122,561,317	\$118,248,723
194	July 1, 2042	\$122,561,317	\$988,864.08	\$0.00	\$988,864.08	\$529,259.14	\$459,605	\$183,842	\$122,032,057	\$118,708,328
195	August 1, 2042	\$122,032,057	\$988,864.08	\$0.00	\$988,864.08	\$531,243.86	\$457,620	\$183,048	\$121,500,814	\$119,165,948
196	September 1, 2042	\$121,500,814	\$988,864.08	\$0.00	\$988,864.08	\$533,236.03	\$455,628	\$182,251	\$120,967,578	\$119,621,576
197	October 1, 2042	\$120,967,578	\$988,864.08	\$0.00	\$988,864.08	\$535,235.66	\$453,628	\$181,451	\$120,432,342	\$120,075,205
198	November 1, 2042	\$120,432,342	\$988,864.08	\$0.00	\$988,864.08	\$537,242.79	\$451,621	\$180,649	\$119,895,099	\$120,526,826
199	December 1, 2042	\$119,895,099	\$988,864.08	\$0.00	\$988,864.08	\$539,257.45	\$449,607	\$179,843	\$119,355,842	\$120,976,433
200	January 1, 2043	\$119,355,842	\$988,864.08	\$0.00	\$988,864.08	\$541,279.67	\$447,584	\$179,034	\$118,814,562	\$121,424,017
201	February 1, 2043	\$118,814,562	\$988,864.08	\$0.00	\$988,864.08	\$543,309.47	\$445,555	\$178,222	\$118,271,253	\$121,869,572

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
202	March 1, 2043	\$118,271,253	\$988,864.08	\$0.00	\$988,864.08	\$545,346.88	\$443,517	\$177,407	\$117,725,906	\$122,313,089
203	April 1, 2043	\$117,725,906	\$988,864.08	\$0.00	\$988,864.08	\$547,391.93	\$441,472	\$176,589	\$117,178,514	\$122,754,561
204	May 1, 2043	\$117,178,514	\$988,864.08	\$0.00	\$988,864.08	\$549,444.65	\$439,419	\$175,768	\$116,629,069	\$123,193,980
205	June 1, 2043	\$116,629,069	\$988,864.08	\$0.00	\$988,864.08	\$551,505.07	\$437,359	\$174,944	\$116,077,564	\$123,631,339
206	July 1, 2043	\$116,077,564	\$988,864.08	\$0.00	\$988,864.08	\$553,573.21	\$435,291	\$174,116	\$115,523,991	\$124,066,630
207	August 1, 2043	\$115,523,991	\$988,864.08	\$0.00	\$988,864.08	\$555,649.11	\$433,215	\$173,286	\$114,968,342	\$124,499,845
208	September 1, 2043	\$114,968,342	\$988,864.08	\$0.00	\$988,864.08	\$557,732.80	\$431,131	\$172,453	\$114,410,609	\$124,930,977
209	October 1, 2043	\$114,410,609	\$988,864.08	\$0.00	\$988,864.08	\$559,824.29	\$429,040	\$171,616	\$113,850,785	\$125,360,016
210	November 1, 2043	\$113,850,785	\$988,864.08	\$0.00	\$988,864.08	\$561,923.63	\$426,940	\$170,776	\$113,288,861	\$125,786,957
211	December 1, 2043	\$113,288,861	\$988,864.08	\$0.00	\$988,864.08	\$564,030.85	\$424,833	\$169,933	\$112,724,830	\$126,211,790
212	January 1, 2044	\$112,724,830	\$988,864.08	\$0.00	\$988,864.08	\$566,145.96	\$422,718	\$169,087	\$112,158,684	\$126,634,508
213	February 1, 2044	\$112,158,684	\$988,864.08	\$0.00	\$988,864.08	\$568,269.01	\$420,595	\$168,238	\$111,590,415	\$127,055,103
214	March 1, 2044	\$111,590,415	\$988,864.08	\$0.00	\$988,864.08	\$570,400.02	\$418,464	\$167,386	\$111,020,015	\$127,473,567
215	April 1, 2044	\$111,020,015	\$988,864.08	\$0.00	\$988,864.08	\$572,539.02	\$416,325	\$166,530	\$110,447,476	\$127,889,892
216	May 1, 2044	\$110,447,476	\$988,864.08	\$0.00	\$988,864.08	\$574,686.04	\$414,178	\$165,671	\$109,872,790	\$128,304,070
217	June 1, 2044	\$109,872,790	\$988,864.08	\$0.00	\$988,864.08	\$576,841.11	\$412,023	\$164,809	\$109,295,949	\$128,716,093
218	July 1, 2044	\$109,295,949	\$988,864.08	\$0.00	\$988,864.08	\$579,004.27	\$409,860	\$163,944	\$108,716,945	\$129,125,953
219	August 1, 2044	\$108,716,945	\$988,864.08	\$0.00	\$988,864.08	\$581,175.53	\$407,689	\$163,075	\$108,135,769	\$129,533,642
220	September 1, 2044	\$108,135,769	\$988,864.08	\$0.00	\$988,864.08	\$583,354.94	\$405,509	\$162,204	\$107,552,414	\$129,939,151
221	October 1, 2044	\$107,552,414	\$988,864.08	\$0.00	\$988,864.08	\$585,542.52	\$403,322	\$161,329	\$106,966,872	\$130,342,472
222	November 1, 2044	\$106,966,872	\$988,864.08	\$0.00	\$988,864.08	\$587,738.31	\$401,126	\$160,450	\$106,379,133	\$130,743,598
223	December 1, 2044	\$106,379,133	\$988,864.08	\$0.00	\$988,864.08	\$589,942.33	\$398,922	\$159,569	\$105,789,191	\$131,142,520
224	January 1, 2045	\$105,789,191	\$988,864.08	\$0.00	\$988,864.08	\$592,154.61	\$396,709	\$158,684	\$105,197,036	\$131,539,229



# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
225	February 1, 2045	\$105,197,036	\$988,864.08	\$0.00	\$988,864.08	\$594,375.19	\$394,489	\$157,796	\$104,602,661	\$131,933,718
226	March 1, 2045	\$104,602,661	\$988,864.08	\$0.00	\$988,864.08	\$596,604.10	\$392,260	\$156,904	\$104,006,057	\$132,325,978
227	April 1, 2045	\$104,006,057	\$988,864.08	\$0.00	\$988,864.08	\$598,841.36	\$390,023	\$156,009	\$103,407,216	\$132,716,001
228	May 1, 2045	\$103,407,216	\$988,864.08	\$0.00	\$988,864.08	\$601,087.02	\$387,777	\$155,111	\$102,806,129	\$133,103,778
229	June 1, 2045	\$102,806,129	\$988,864.08	\$0.00	\$988,864.08	\$603,341.09	\$385,523	\$154,209	\$102,202,788	\$133,489,301
230	July 1, 2045	\$102,202,788	\$988,864.08	\$0.00	\$988,864.08	\$605,603.62	\$383,260	\$153,304	\$101,597,184	\$133,872,561
231	August 1, 2045	\$101,597,184	\$988,864.08	\$0.00	\$988,864.08	\$607,874.64	\$380,989	\$152,396	\$100,989,309	\$134,253,551
232	September 1, 2045	\$100,989,309	\$988,864.08	\$0.00	\$988,864.08	\$610,154.17	\$378,710	\$151,484	\$100,379,155	\$134,632,261
233	October 1, 2045	\$100,379,155	\$988,864.08	\$0.00	\$988,864.08	\$612,442.24	\$376,422	\$150,569	\$99,766,713	\$135,008,683
234	November 1, 2045	\$99,766,713	\$988,864.08	\$0.00	\$988,864.08	\$614,738.90	\$374,125	\$149,650	\$99,151,974	\$135,382,808
235	December 1, 2045	\$99,151,974	\$988,864.08	\$0.00	\$988,864.08	\$617,044.17	\$371,820	\$148,728	\$98,534,930	\$135,754,628
236	January 1, 2046	\$98,534,930	\$988,864.08	\$0.00	\$988,864.08	\$619,358.09	\$369,506	\$147,802	\$97,915,572	\$136,124,134
237	February 1, 2046	\$97,915,572	\$988,864.08	\$0.00	\$988,864.08	\$621,680.68	\$367,183	\$146,873	\$97,293,891	\$136,491,317
238	March 1, 2046	\$97,293,891	\$988,864.08	\$0.00	\$988,864.08	\$624,011.98	\$364,852	\$145,941	\$96,669,879	\$136,856,169
239	April 1, 2046	\$96,669,879	\$988,864.08	\$0.00	\$988,864.08	\$626,352.03	\$362,512	\$145,005	\$96,043,527	\$137,218,681
240	May 1, 2046	\$96,043,527	\$988,864.08	\$0.00	\$988,864.08	\$628,700.85	\$360,163	\$144,065	\$95,414,826	\$137,578,844
241	June 1, 2046	\$95,414,826	\$988,864.08	\$0.00	\$988,864.08	\$631,058.48	\$357,806	\$143,122	\$94,783,768	\$137,936,650
242	July 1, 2046	\$94,783,768	\$988,864.08	\$0.00	\$988,864.08	\$633,424.95	\$355,439	\$142,176	\$94,150,343	\$138,292,089
243	August 1, 2046	\$94,150,343	\$988,864.08	\$0.00	\$988,864.08	\$635,800.29	\$353,064	\$141,226	\$93,514,543	\$138,645,153
244	September 1, 2046	\$93,514,543	\$988,864.08	\$0.00	\$988,864.08	\$638,184.54	\$350,680	\$140,272	\$92,876,358	\$138,995,832
245	October 1, 2046	\$92,876,358	\$988,864.08	\$0.00	\$988,864.08	\$640,577.73	\$348,286	\$139,315	\$92,235,780	\$139,344,119
246	November 1, 2046	\$92,235,780	\$988,864.08	\$0.00	\$988,864.08	\$642,979.90	\$345,884	\$138,354	\$91,592,800	\$139,690,003
247	December 1, 2046	\$91,592,800	\$988,864.08	\$0.00	\$988,864.08	\$645,391.08	\$343,473	\$137,389	\$90,947,409	\$140,033,476

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
248	January 1, 2047	\$90,947,409	\$988,864.08	\$0.00	\$988,864.08	\$647,811.29	\$341,053	\$136,421	\$90,299,598	\$140,374,529
249	February 1, 2047	\$90,299,598	\$988,864.08	\$0.00	\$988,864.08	\$650,240.58	\$338,623	\$135,449	\$89,649,357	\$140,713,152
250	March 1, 2047	\$89,649,357	\$988,864.08	\$0.00	\$988,864.08	\$652,678.99	\$336,185	\$134,474	\$88,996,678	\$141,049,337
251	April 1, 2047	\$88,996,678	\$988,864.08	\$0.00	\$988,864.08	\$655,126.53	\$333,738	\$133,495	\$88,341,552	\$141,383,075
252	May 1, 2047	\$88,341,552	\$988,864.08	\$0.00	\$988,864.08	\$657,583.26	\$331,281	\$132,512	\$87,683,969	\$141,714,356
253	June 1, 2047	\$87,683,969	\$988,864.08	\$0.00	\$988,864.08	\$660,049.19	\$328,815	\$131,526	\$87,023,919	\$142,043,171
254	July 1, 2047	\$87,023,919	\$988,864.08	\$0.00	\$988,864.08	\$662,524.38	\$326,340	\$130,536	\$86,361,395	\$142,369,510
255	August 1, 2047	\$86,361,395	\$988,864.08	\$0.00	\$988,864.08	\$665,008.85	\$323,855	\$129,542	\$85,696,386	\$142,693,365
256	September 1, 2047	\$85,696,386	\$988,864.08	\$0.00	\$988,864.08	\$667,502.63	\$321,361	\$128,545	\$85,028,884	\$143,014,727
257	October 1, 2047	\$85,028,884	\$988,864.08	\$0.00	\$988,864.08	\$670,005.76	\$318,858	\$127,543	\$84,358,878	\$143,333,585
258	November 1, 2047	\$84,358,878	\$988,864.08	\$0.00	\$988,864.08	\$672,518.28	\$316,346	\$126,538	\$83,686,360	\$143,649,931
259	December 1, 2047	\$83,686,360	\$988,864.08	\$0.00	\$988,864.08	\$675,040.23	\$313,824	\$125,530	\$83,011,319	\$143,963,755
260	January 1, 2048	\$83,011,319	\$988,864.08	\$0.00	\$988,864.08	\$677,571.63	\$311,292	\$124,517	\$82,333,748	\$144,275,047
261	February 1, 2048	\$82,333,748	\$988,864.08	\$0.00	\$988,864.08	\$680,112.52	\$308,752	\$123,501	\$81,653,635	\$144,583,799
262	March 1, 2048	\$81,653,635	\$988,864.08	\$0.00	\$988,864.08	\$682,662.94	\$306,201	\$122,480	\$80,970,972	\$144,890,000
263	April 1, 2048	\$80,970,972	\$988,864.08	\$0.00	\$988,864.08	\$685,222.93	\$303,641	\$121,456	\$80,285,749	\$145,193,641
264	May 1, 2048	\$80,285,749	\$988,864.08	\$0.00	\$988,864.08	\$687,792.52	\$301,072	\$120,429	\$79,597,957	\$145,494,713
265	June 1, 2048	\$79,597,957	\$988,864.08	\$0.00	\$988,864.08	\$690,371.74	\$298,492	\$119,397	\$78,907,585	\$145,793,205
266	July 1, 2048	\$78,907,585	\$988,864.08	\$0.00	\$988,864.08	\$692,960.63	\$295,903	\$118,361	\$78,214,624	\$146,089,109
267	August 1, 2048	\$78,214,624	\$988,864.08	\$0.00	\$988,864.08	\$695,559.24	\$293,305	\$117,322	\$77,519,065	\$146,382,413
268	September 1, 2048	\$77,519,065	\$988,864.08	\$0.00	\$988,864.08	\$698,167.58	\$290,696	\$116,279	\$76,820,898	\$146,673,110
269	October 1, 2048	\$76,820,898	\$988,864.08	\$0.00	\$988,864.08	\$700,785.71	\$288,078	\$115,231	\$76,120,112	\$146,961,188
270	November 1, 2048	\$76,120,112	\$988,864.08	\$0.00	\$988,864.08	\$703,413.66	\$285,450	\$114,180	\$75,416,698	\$147,246,639

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
271	December 1, 2048	\$75,416,698	\$988,864.08	\$0.00	\$988,864.08	\$706,051.46	\$282,813	\$113,125	\$74,710,647	\$147,529,451
272	January 1, 2049	\$74,710,647	\$988,864.08	\$0.00	\$988,864.08	\$708,699.15	\$280,165	\$112,066	\$74,001,948	\$147,809,616
273	February 1, 2049	\$74,001,948	\$988,864.08	\$0.00	\$988,864.08	\$711,356.77	\$277,507	\$111,003	\$73,290,591	\$148,087,123
274	March 1, 2049	\$73,290,591	\$988,864.08	\$0.00	\$988,864.08	\$714,024.36	\$274,840	\$109,936	\$72,576,566	\$148,361,963
275	April 1, 2049	\$72,576,566	\$988,864.08	\$0.00	\$988,864.08	\$716,701.95	\$272,162	\$108,865	\$71,859,865	\$148,634,125
276	May 1, 2049	\$71,859,865	\$988,864.08	\$0.00	\$988,864.08	\$719,389.58	\$269,474	\$107,790	\$71,140,475	\$148,903,600
277	June 1, 2049	\$71,140,475	\$988,864.08	\$0.00	\$988,864.08	\$722,087.30	\$266,777	\$106,711	\$70,418,388	\$149,170,377
278	July 1, 2049	\$70,418,388	\$988,864.08	\$0.00	\$988,864.08	\$724,795.12	\$264,069	\$105,628	\$69,693,593	\$149,434,446
279	August 1, 2049	\$69,693,593	\$988,864.08	\$0.00	\$988,864.08	\$727,513.10	\$261,351	\$104,540	\$68,966,079	\$149,695,797
280	September 1, 2049	\$68,966,079	\$988,864.08	\$0.00	\$988,864.08	\$730,241.28	\$258,623	\$103,449	\$68,235,838	\$149,954,419
281	October 1, 2049	\$68,235,838	\$988,864.08	\$0.00	\$988,864.08	\$732,979.68	\$255,884	\$102,354	\$67,502,858	\$150,210,304
282	November 1, 2049	\$67,502,858	\$988,864.08	\$0.00	\$988,864.08	\$735,728.36	\$253,136	\$101,254	\$66,767,130	\$150,463,439
283	December 1, 2049	\$66,767,130	\$988,864.08	\$0.00	\$988,864.08	\$738,487.34	\$250,377	\$100,151	\$66,028,643	\$150,713,816
284	January 1, 2050	\$66,028,643	\$988,864.08	\$0.00	\$988,864.08	\$741,256.67	\$247,607	\$99,043	\$65,287,386	\$150,961,424
285	February 1, 2050	\$65,287,386	\$988,864.08	\$0.00	\$988,864.08	\$744,036.38	\$244,828	\$97,931	\$64,543,350	\$151,206,251
286	March 1, 2050	\$64,543,350	\$988,864.08	\$0.00	\$988,864.08	\$746,826.52	\$242,038	\$96,815	\$63,796,523	\$151,448,289
287	April 1, 2050	\$63,796,523	\$988,864.08	\$0.00	\$988,864.08	\$749,627.11	\$239,237	\$95,695	\$63,046,896	\$151,687,526
288	May 1, 2050	\$63,046,896	\$988,864.08	\$0.00	\$988,864.08	\$752,438.22	\$236,426	\$94,570	\$62,294,458	\$151,923,952
289	June 1, 2050	\$62,294,458	\$988,864.08	\$0.00	\$988,864.08	\$755,259.86	\$233,604	\$93,442	\$61,539,198	\$152,157,556
290	July 1, 2050	\$61,539,198	\$988,864.08	\$0.00	\$988,864.08	\$758,092.08	\$230,772	\$92,309	\$60,781,106	\$152,388,328
291	August 1, 2050	\$60,781,106	\$988,864.08	\$0.00	\$988,864.08	\$760,934.93	\$227,929	\$91,172	\$60,020,171	\$152,616,257
292	September 1, 2050	\$60,020,171	\$988,864.08	\$0.00	\$988,864.08	\$763,788.44	\$225,076	\$90,030	\$59,256,383	\$152,841,333
293	October 1, 2050	\$59,256,383	\$988,864.08	\$0.00	\$988,864.08	\$766,652.64	\$222,211	\$88,885	\$58,489,730	\$153,063,544

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
294	November 1, 2050	\$58,489,730	\$988,864.08	\$0.00	\$988,864.08	\$769,527.59	\$219,336	\$87,735	\$57,720,202	\$153,282,881
295	December 1, 2050	\$57,720,202	\$988,864.08	\$0.00	\$988,864.08	\$772,413.32	\$216,451	\$86,580	\$56,947,789	\$153,499,331
296	January 1, 2051	\$56,947,789	\$988,864.08	\$0.00	\$988,864.08	\$775,309.87	\$213,554	\$85,422	\$56,172,479	\$153,712,886
297	February 1, 2051	\$56,172,479	\$988,864.08	\$0.00	\$988,864.08	\$778,217.28	\$210,647	\$84,259	\$55,394,262	\$153,923,532
298	March 1, 2051	\$55,394,262	\$988,864.08	\$0.00	\$988,864.08	\$781,135.59	\$207,728	\$83,091	\$54,613,126	\$154,131,261
299	April 1, 2051	\$54,613,126	\$988,864.08	\$0.00	\$988,864.08	\$784,064.85	\$204,799	\$81,920	\$53,829,061	\$154,336,060
300	May 1, 2051	\$53,829,061	\$988,864.08	\$0.00	\$988,864.08	\$787,005.10	\$201,859	\$80,744	\$53,042,056	\$154,537,919
301	June 1, 2051	\$53,042,056	\$988,864.08	\$0.00	\$988,864.08	\$789,956.37	\$198,908	\$79,563	\$52,252,100	\$154,736,827
302	July 1, 2051	\$52,252,100	\$988,864.08	\$0.00	\$988,864.08	\$792,918.70	\$195,945	\$78,378	\$51,459,181	\$154,932,772
303	August 1, 2051	\$51,459,181	\$988,864.08	\$0.00	\$988,864.08	\$795,892.15	\$192,972	\$77,189	\$50,663,289	\$155,125,744
304	September 1, 2051	\$50,663,289	\$988,864.08	\$0.00	\$988,864.08	\$798,876.74	\$189,987	\$75,995	\$49,864,412	\$155,315,731
305	October 1, 2051	\$49,864,412	\$988,864.08	\$0.00	\$988,864.08	\$801,872.53	\$186,992	\$74,797	\$49,062,540	\$155,502,723
306	November 1, 2051	\$49,062,540	\$988,864.08	\$0.00	\$988,864.08	\$804,879.55	\$183,985	\$73,594	\$48,257,660	\$155,686,707
307	December 1, 2051	\$48,257,660	\$988,864.08	\$0.00	\$988,864.08	\$807,897.85	\$180,966	\$72,386	\$47,449,762	\$155,867,674
308	January 1, 2052	\$47,449,762	\$988,864.08	\$0.00	\$988,864.08	\$810,927.47	\$177,937	\$71,175	\$46,638,835	\$156,045,610
309	February 1, 2052	\$46,638,835	\$988,864.08	\$0.00	\$988,864.08	\$813,968.45	\$174,896	\$69,958	\$45,824,867	\$156,220,506
310	March 1, 2052	\$45,824,867	\$988,864.08	\$0.00	\$988,864.08	\$817,020.83	\$171,843	\$68,737	\$45,007,846	\$156,392,349
311	April 1, 2052	\$45,007,846	\$988,864.08	\$0.00	\$988,864.08	\$820,084.66	\$168,779	\$67,512	\$44,187,761	\$156,561,129
312	May 1, 2052	\$44,187,761	\$988,864.08	\$0.00	\$988,864.08	\$823,159.97	\$165,704	\$66,282	\$43,364,601	\$156,726,833
313	June 1, 2052	\$43,364,601	\$988,864.08	\$0.00	\$988,864.08	\$826,246.82	\$162,617	\$65,047	\$42,538,354	\$156,889,450
314	July 1, 2052	\$42,538,354	\$988,864.08	\$0.00	\$988,864.08	\$829,345.25	\$159,519	\$63,808	\$41,709,009	\$157,048,969
315	August 1, 2052	\$41,709,009	\$988,864.08	\$0.00	\$988,864.08	\$832,455.29	\$156,409	\$62,564	\$40,876,554	\$157,205,378
316	September 1, 2052	\$40,876,554	\$988,864.08	\$0.00	\$988,864.08	\$835,577.00	\$153,287	\$61,315	\$40,040,977	\$157,358,665

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
317	October 1, 2052	\$40,040,977	\$988,864.08	\$0.00	\$988,864.08	\$838,710.41	\$150,154	\$60,061	\$39,202,266	\$157,508,818
318	November 1, 2052	\$39,202,266	\$988,864.08	\$0.00	\$988,864.08	\$841,855.58	\$147,008	\$58,803	\$38,360,411	\$157,655,827
319	December 1, 2052	\$38,360,411	\$988,864.08	\$0.00	\$988,864.08	\$845,012.54	\$143,852	\$57,541	\$37,515,398	\$157,799,678
320	January 1, 2053	\$37,515,398	\$988,864.08	\$0.00	\$988,864.08	\$848,181.33	\$140,683	\$56,273	\$36,667,217	\$157,940,361
321	February 1, 2053	\$36,667,217	\$988,864.08	\$0.00	\$988,864.08	\$851,362.01	\$137,502	\$55,001	\$35,815,855	\$158,077,863
322	March 1, 2053	\$35,815,855	\$988,864.08	\$0.00	\$988,864.08	\$854,554.62	\$134,309	\$53,724	\$34,961,300	\$158,212,173
323	April 1, 2053	\$34,961,300	\$988,864.08	\$0.00	\$988,864.08	\$857,759.20	\$131,105	\$52,442	\$34,103,541	\$158,343,277
324	May 1, 2053	\$34,103,541	\$988,864.08	\$0.00	\$988,864.08	\$860,975.80	\$127,888	\$51,155	\$33,242,565	\$158,471,166
325	June 1, 2053	\$33,242,565	\$988,864.08	\$0.00	\$988,864.08	\$864,204.46	\$124,660	\$49,864	\$32,378,361	\$158,595,825
326	July 1, 2053	\$32,378,361	\$988,864.08	\$0.00	\$988,864.08	\$867,445.22	\$121,419	\$48,568	\$31,510,916	\$158,717,244
327	August 1, 2053	\$31,510,916	\$988,864.08	\$0.00	\$988,864.08	\$870,698.14	\$118,166	\$47,266	\$30,640,217	\$158,835,410
328	September 1, 2053	\$30,640,217	\$988,864.08	\$0.00	\$988,864.08	\$873,963.26	\$114,901	\$45,960	\$29,766,254	\$158,950,311
329	October 1, 2053	\$29,766,254	\$988,864.08	\$0.00	\$988,864.08	\$877,240.62	\$111,623	\$44,649	\$28,889,013	\$159,061,934
330	November 1, 2053	\$28,889,013	\$988,864.08	\$0.00	\$988,864.08	\$880,530.28	\$108,334	\$43,334	\$28,008,483	\$159,170,268
331	December 1, 2053	\$28,008,483	\$988,864.08	\$0.00	\$988,864.08	\$883,832.26	\$105,032	\$42,013	\$27,124,651	\$159,275,300
332	January 1, 2054	\$27,124,651	\$988,864.08	\$0.00	\$988,864.08	\$887,146.64	\$101,717	\$40,687	\$26,237,504	\$159,377,017
333	February 1, 2054	\$26,237,504	\$988,864.08	\$0.00	\$988,864.08	\$890,473.44	\$98,391	\$39,356	\$25,347,031	\$159,475,408
334	March 1, 2054	\$25,347,031	\$988,864.08	\$0.00	\$988,864.08	\$893,812.71	\$95,051	\$38,021	\$24,453,218	\$159,570,459
335	April 1, 2054	\$24,453,218	\$988,864.08	\$0.00	\$988,864.08	\$897,164.51	\$91,700	\$36,680	\$23,556,054	\$159,662,159
336	May 1, 2054	\$23,556,054	\$988,864.08	\$0.00	\$988,864.08	\$900,528.88	\$88,335	\$35,334	\$22,655,525	\$159,750,494
337	June 1, 2054	\$22,655,525	\$988,864.08	\$0.00	\$988,864.08	\$903,905.86	\$84,958	\$33,983	\$21,751,619	\$159,835,452
338	July 1, 2054	\$21,751,619	\$988,864.08	\$0.00	\$988,864.08	\$907,295.51	\$81,569	\$32,627	\$20,844,323	\$159,917,021
339	August 1, 2054	\$20,844,323	\$988,864.08	\$0.00	\$988,864.08	\$910,697.86	\$78,166	\$31,266	\$19,933,626	\$159,995,187

# Amortization Schedule

## Terms

Loan amount	\$195,163,360
Annual interest rate	4.50%
Loan period in years	30
Number of payments per year	12
Start date of loan	Jun 2026
Proportion of interest allocated to Good Samaritan	40.00%

## Loan Summary

Scheduled payment	\$988,864.08
Scheduled number of payments	360
Actual number of payments	
Total early payments	\$0.00
Total interest	\$82,141,056

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Allocated Interest	Ending Balance	Cumulative Interest
340	September 1, 2054	\$19,933,626	\$988,864.08	\$0.00	\$988,864.08	\$914,112.98	\$74,751	\$29,900	\$19,019,513	\$160,069,938
341	October 1, 2054	\$19,019,513	\$988,864.08	\$0.00	\$988,864.08	\$917,540.90	\$71,323	\$28,529	\$18,101,972	\$160,141,262
342	November 1, 2054	\$18,101,972	\$988,864.08	\$0.00	\$988,864.08	\$920,981.68	\$67,882	\$27,153	\$17,180,990	\$160,209,144
343	December 1, 2054	\$17,180,990	\$988,864.08	\$0.00	\$988,864.08	\$924,435.36	\$64,429	\$25,771	\$16,256,555	\$160,273,573
344	January 1, 2055	\$16,256,555	\$988,864.08	\$0.00	\$988,864.08	\$927,902.00	\$60,962	\$24,385	\$15,328,653	\$160,334,535
345	February 1, 2055	\$15,328,653	\$988,864.08	\$0.00	\$988,864.08	\$931,381.63	\$57,482	\$22,993	\$14,397,271	\$160,392,017
346	March 1, 2055	\$14,397,271	\$988,864.08	\$0.00	\$988,864.08	\$934,874.31	\$53,990	\$21,596	\$13,462,397	\$160,446,007
347	April 1, 2055	\$13,462,397	\$988,864.08	\$0.00	\$988,864.08	\$938,380.09	\$50,484	\$20,194	\$12,524,017	\$160,496,491
348	May 1, 2055	\$12,524,017	\$988,864.08	\$0.00	\$988,864.08	\$941,899.01	\$46,965	\$18,786	\$11,582,118	\$160,543,456
349	June 1, 2055	\$11,582,118	\$988,864.08	\$0.00	\$988,864.08	\$945,431.14	\$43,433	\$17,373	\$10,636,686	\$160,586,889
350	July 1, 2055	\$10,636,686	\$988,864.08	\$0.00	\$988,864.08	\$948,976.50	\$39,888	\$15,955	\$9,687,710	\$160,626,776
351	August 1, 2055	\$9,687,710	\$988,864.08	\$0.00	\$988,864.08	\$952,535.16	\$36,329	\$14,532	\$8,735,175	\$160,663,105
352	September 1, 2055	\$8,735,175	\$988,864.08	\$0.00	\$988,864.08	\$956,107.17	\$32,757	\$13,103	\$7,779,068	\$160,695,862
353	October 1, 2055	\$7,779,068	\$988,864.08	\$0.00	\$988,864.08	\$959,692.57	\$29,172	\$11,669	\$6,819,375	\$160,725,034
354	November 1, 2055	\$6,819,375	\$988,864.08	\$0.00	\$988,864.08	\$963,291.42	\$25,573	\$10,229	\$5,856,084	\$160,750,606
355	December 1, 2055	\$5,856,084	\$988,864.08	\$0.00	\$988,864.08	\$966,903.76	\$21,960	\$8,784	\$4,889,180	\$160,772,567
356	January 1, 2056	\$4,889,180	\$988,864.08	\$0.00	\$988,864.08	\$970,529.65	\$18,334	\$7,334	\$3,918,650	\$160,790,901
357	February 1, 2056	\$3,918,650	\$988,864.08	\$0.00	\$988,864.08	\$974,169.14	\$14,695	\$5,878	\$2,944,481	\$160,805,596
358	March 1, 2056	\$2,944,481	\$988,864.08	\$0.00	\$988,864.08	\$977,822.27	\$11,042	\$4,417	\$1,966,659	\$160,816,638
359	April 1, 2056	\$1,966,659	\$988,864.08	\$0.00	\$988,864.08	\$981,489.11	\$7,375	\$2,950	\$985,170	\$160,824,013
360	May 1, 2056	\$985,170	\$988,864.08	\$0.00	\$985,169.69	\$981,475.30	\$3,694	\$1,478	\$0	\$160,827,707

# Exhibit 8

## Good Samaritan Hospital Deed

TICOR

WPO380



201105040434 10 PGS  
05/04/2011 02:22:31 PM \$71.00  
PIERCE COUNTY, WASHINGTON

Return Address:

Mark C. Gary  
Assistant General Counsel  
MultiCare Health System  
315 Martin Luther King Jr. Way  
PO Box 5299 Mail Stop 222J-1-LEG  
Tacoma, WA 98415-0299

**Document Title**  
**QUIT CLAIM DEED**

**Grantor:**

Good Samaritan Hospital

**TICOR TITLE COMPANY**

**has placed this document of record as a customer courtesy and accepts no liability for the accuracy and validity of the document.**

**Grantee:**

MultiCare Health System

**Legal Description:**

Revised Lots 1 to 9, inclusive, Good Samaritan Boundary Line Adjustment recorded under Auditor's No. 201006155001, in Pierce County, Washington.

Additional legal descriptions on Exhibit A

**Assessor's Property Tax Parcel Account Number(s):**

0420342146, 0420342147, 0420342148, 0420342149, 0420342150, 0420342151, 7080000181, 7080000182, 7080000251, 9810000014, 9810000015, 9810000016, 9810000643, 9810000644, 9810000645, and others listed on Exhibit A

{0111.00154/M0308592.DOC; 1}

05/04/2011 02:20:48 PM KYOHN 4259633 9 PGS  
EXCISE COLLECTED: \$0.00 PROC FEE: \$5.00  
AUDITOR PIERCE COUNTY, WA TECH FEE: \$5.00

For reference only, not for re-sale.

21



**QUIT CLAIM DEED**

THE GRANTOR, **Good Samaritan Hospital**, a Washington nonprofit corporation, for itself and as successor by merger to Good Samaritan Community Healthcare, in furtherance and to provide notice of its merger into MultiCare Health System, pursuant to a Plan of Merger, and Articles of Merger filed with the Washington Secretary of State effective April 1, 2011, conveys and quit claims to **MultiCare Health System**, a Washington nonprofit corporation and the Surviving Corporation following merger, all right, title, and interest, if any, in the following described property, situated in the County of Pierce, State of Washington, subject to reservations, restrictions and encumbrances of record, together with all after acquired title of the grantor therein:

(i) those parcels of real property, described in Exhibit A attached hereto and incorporated herein by reference;

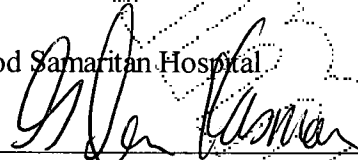
(ii) together with all appurtenances thereto and all improvements thereon, and all rights, privileges, easements and appurtenances of benefit thereto (such real property, improvements and appurtenances being referred to herein as the "Real Property");

(iii) together with all of Grantor's right, title and interest in and to all personal property of whatever type, wherever located, used by Grantor in connection with the ownership, use, maintenance or operation thereof (the "Personal Property"), including, without limitation, all plans, maps, specifications, all engineering, inspection and similar reports, all tolls, rents, revenues, issues, income, products, proceeds and profits thereof, and all tools, equipment, supplies, inventory, air conditioners, fixtures, equipment, furniture and furnishings; and all of Grantor's interest in any intangible property used or useful in connection with the foregoing, including, without limitation, all contract rights, warranties, guaranties, licenses, permits, entitlements, governmental approvals and certificates of occupancy which benefit the Real Property and/or the Personal Property (the "Intangible Personal Property").

For reference, the Real Property, the Personal Property and the Intangible Personal Property shall be referred to collectively as the "Property".

Dated April 4, 2011.

Good Samaritan Hospital

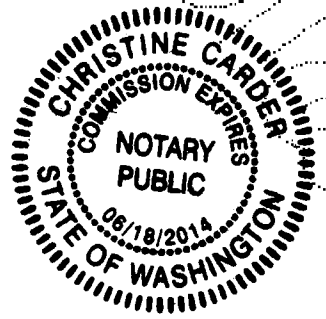
  
By: Glenn Kasman  
Its: President

For reference only, not for re-sale.

STATE OF WASHINGTON )  
 )  
COUNTY OF PIERCE )

THIS IS TO CERTIFY that on this 4<sup>th</sup> day of April, 2011, Glenn Kasman is the person who appeared before me, and said person acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it as the President of GOOD SAMARITAN HOSPITAL, a Washington nonprofit corporation, to be the free and voluntary act and deed of said corporation, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal this 4<sup>th</sup> day of April, 2011.



Christine Carder  
Print Name: Christine Carder  
NOTARY PUBLIC in and for the State of  
Washington, residing at 3115 Maplewood Cir NE  
My Commission Expires: June 18, 2014

{0111.00154/M0308605.DOC; 1}

For reference only, not for re-sale.

EXHIBIT A

LEGAL DESCRIPTION

Parcel A:

Revised Lots 1 to 9, inclusive, Good Samaritan Boundary Line Adjustment recorded under Auditor's No. 201006155001, in Pierce County, Washington.

(Tax Parcel Nos. 0420342146, 0420342147, 0420342148, 0420342149, 0420342150, 0420342151, 7080000181, 7080000182, 7080000251, 9810000014, 9810000015, 9810000016, 9810000643, 9810000644 and 9810000645)

Parcel B:

Lots 1 to 5, inclusive, City of Puyallup Boundary Line Revision recorded under Auditor's No. 200811255003, in Pierce County, Washington.

(Tax Parcel Nos. 0420344048, 0420344049, 0420344050, 0420344051 and 0420344052)

Parcel C:

Lot 2 of City of Puyallup Short Plat No. 01-81-005, recorded under Auditor's No. 200111295005, in Pierce County, Washington.

(Tax Parcel No. 7790000554)

Parcel D:

Tract A (storm drainage), as delineated on City of Puyallup Short Plat No. 01-81-005, recorded under Auditor's No. 200111295005, in Pierce County, Washington.

(Parcel No. 7790000558)

Parcel E:

Lots 1 and 2 of City of Puyallup Short Plat No. P-09-0061 recorded under Auditor's No. 200912175002, in Pierce County, Washington.

(Tax Parcel Nos. 7790000565 and 7790000566)

Parcel F:

For reference only, not for re-sale.

For reference only, not for re-sale.

That portion of the following described property in the Northwest Quarter of Section 34 Township 20 North Range 4 East of the W.M. in Pierce County, Washington, lying South of the South line of SR 512 as conveyed to State of Washington by deed recorded under recording number 2373907:

Beginning at a point on the North line of 13th Avenue Southeast in said Section 34, 825 feet North and 438.87 feet East of the Quarter section corner of said Section 34;  
thence North 490.08 feet;  
thence East 392.72 feet to the West line of that certain property described in deed recorded under recording number 2626573;  
thence South 483.71 feet to the North boundary of said 13th Avenue Southeast;  
thence West along said North boundary 392.72 feet to the point of beginning

Except that portion conveyed to the City of Puyallup by deed recorded under recording number 9210080385

(Tax Parcel No. 0420342112)

Parcel G:

North half of the south half of the west half of the north half of the southeast quarter of the southeast quarter of the southwest quarter of Section 34, Township 20 North, Range 4 East of the W.M., in Pierce County, Washington.

Except 7th Street Southeast

(Tax Parcel No. 0420343049)

Parcel H:

Lot 44, Halls Addition, according to plat recorded under Auditor's No. 8308170144, in Pierce County, Washington.

(Tax Parcel No. 432600440)

Parcel I: intentionally deleted

Parcel J:

Units 1, 2 and 3, South Hill Medical-Dental Building, a condominium, according to Declaration recorded under Auditor's No. 2782633 and amendments thereto recorded under Auditor's Nos. 8107020010 and 9612040232, and Survey Map and Floor Plans recorded under Auditor's No. 2782634 and amendment thereto recorded under Auditor's No. 9612040233, in Pierce County, Washington.

For reference only, not for re-sale.

(Tax Parcel Nos. 7766000010, 7766000020 and 7766000030)

Parcel K:

Parcel A of Declaration of Boundary Line Revision recorded under Auditor's No. 9011300734, described as follows:

Lot 18, Except the north 5 feet thereof, all of Lot 19 and the north 5 feet of Lot 20, Block 64, Frank R. Spinning's First Addition to the Town of Puyallup, according to plat recorded in Book 6 of Plats at Page 91, in Pierce County, Washington.

(Tax Parcel No. 7845001101)

Parcel L:

Lot 16, Tulip Tree Lane, according to plat recorded under Auditor's No. 8408220213, in Pierce County, Washington.

(Tax Parcel No. 9133000160)

Parcel M:

Lots 7 to 11, inclusive, Block 5, Wood's First Addition to Puyallup, according to Plat recorded in Book 4 of Plats at Page 16, in Pierce County, Washington.

Together with 10 feet of vacated alley abutting on the west

Together with south half of vacated 13th Avenue Southeast adjoining Lot 11, vacated by Ordinance No. 1765 of the City of Puyallup.

Except portion conveyed to the State of Washington by Deed recorded under Auditor's No. 2341889.

(Tax Parcel No. 9810000120)

Parcel N:

Lots 1 to 3, inclusive, Block 6, Wood's First Addition to Puyallup, according to Plat recorded in Book 4 of Plats at Page 16, in Pierce County, Washington.

Together with the east half of vacated 2nd Street Southeast adjoining, vacated by Ordinance No. 1761 of the City of Puyallup.

Tax (Parcel No. 9810000130)

For reference only, not for re-sale.

Parcel O:

Lot 4, Block 6, Wood's First Addition to Puyallup, according to Plat recorded in Book 4 of Plats at Page 16, in Pierce County, Washington.

Together with the east half of vacated 2nd Street Southeast adjoining, vacated by Ordinance No. 1761 of the City of Puyallup.

(Tax Parcel No. 9810000140)

Parcel P:

Lots 5, 6 and 7, Block 6, Wood's First Addition to Puyallup, according to Plat recorded in Book 4 of Plats at Page 16, in Pierce County, Washington.

Together with the east half of vacated 2nd Street Southeast adjoining, vacated by Ordinance No. 1761 of the City of Puyallup.

(Tax Parcel No. 9810000151)

Parcel Q:

Lots 8 to 11, inclusive, Block 6, Wood's First Addition to Puyallup, according to Plat recorded in Book 4 of Plats at Page 16, in Pierce County, Washington.

Together with 10 feet of vacated alley adjoining on the east.

Together with that portion of the east half of vacated 2nd Street Southeast adjoining, vacated by Ordinance No. 1761 of the City of Puyallup and that portion of vacated 13th Avenue Southeast adjoining Lot 11, vacated by Ordinance No. 1765 of the City of Puyallup.

(Tax Parcel No. 9810000161)

Parcel R:

Beginning at the south boundary of Spring Street and west boundary of 4th Street SE; thence along said west boundary of 4th Street SE south 320 feet to the north line of Pioneer Avenue; thence at right angles to said line west 120 feet; thence north to an intersection with southerly boundary of Spring Street; thence along said southerly boundary southeasterly to beginning, being in Section 27, Township 20 North, Range 4 East of the W.M., in Pierce County, Washington.

Together with the west half of 4th Street SE abutting on the east, vacated by Ordinance No. 1582 of the City of Puyallup recorded under Auditor's No. 2427043.

For reference only, not for re-sale.

(Tax Parcel No. 0420273003)

Parcel S:

The east half of the south 125 feet of the following described property:

Beginning at a stone monument in the north boundary of Cliff Street in the City of Puyallup 826.05 feet north and 180.47 feet west of the southeast corner of the southwest quarter of the northwest quarter of Section 34, Township 20 North, Range 4 East of the W.M., in Pierce County, Washington; thence north 242.43 feet; thence westerly 178.88 feet; thence south parallel to the east line thereof 238.60 feet to the boundary of said Cliff Street; thence east 178.88 feet to the point of beginning.

Except any portion condemned for SR 512 in Pierce County Superior Court Cause No. 194933.

Except that portion conveyed to the City of Puyallup in deed recorded under Auditor's No. 9210090385.

(Tax Parcel No. 0420342035)

Parcel T:

That portion of the following described property in the northwest quarter of Section 34, Township 20 North, Range 4 East of the W.M., in Pierce County, Washington, lying south of the south line of SR 512 as conveyed to the State of Washington by deed recorded under Auditor's No. 2333581:

Beginning at a point on the north line of 13th Avenue Southeast, 826.5 feet north and 492.085 feet west of the southeast corner of the southwest quarter of the northwest quarter of said Section 34; thence north 488.685 feet; thence east 132.735 feet; thence south 486.88 feet to the north boundary line of 13th Avenue Southeast; thence west along said north line 132.735 feet to the point of beginning.

Except that portion conveyed to the City of Puyallup by deed recorded under Auditor's No. 9210080385.

(Tax Parcel No. 0420342081)

Parcel U:

The west half of the following described property:

Beginning at a stone monument in the north boundary of Cliff Street in the City of Puyallup, 826.05 feet north and 180.47 feet west of the southeast corner of the southwest quarter of the northwest quarter of Section 34, Township 20 North, Range 4 East of the W.M., in Pierce County, Washington; thence north 242.43 feet; thence westerly 178.88 feet; thence south parallel to the east line thereof

For reference only, not for re-sale.

238.60 feet to the boundary of said Cliff Street; thence east 178.88 feet to the point of beginning.

Except portion condemned for SR 512 in Pierce County Superior Court Cause No. 194933.

Except that portion conveyed to the City of Puyallup in deed recorded under Auditor's No. 9210080385.

(Tax Parcel No. 0420342104)

Parcel V:

The east half of the following described property:

Beginning at a stone monument in the north boundary of Cliff Street in the City of Puyallup 826.05 feet north and 180.47 feet west of the southeast corner of the southwest quarter of the northwest quarter of Section 34, Township 20 North, Range 4 East of the W.M., in Pierce County, Washington; thence north 242.43 feet; thence westerly 178.88 feet; thence south parallel to the east line thereof, 238.60 feet to the boundary of said Cliff Street; thence east 178.88 feet to the point of beginning.

Except the south 125 feet thereof

Except any portion condemned for SR 512 in Pierce County Superior Court Cause No. 194933.

(Tax Parcel No. 0420342124)

Parcel W:

Parcel B of City of Puyallup Boundary Line Revision No. 00-84-014, recorded under Auditor's No. 200010065001, in the northwest quarter of Section 34, Township 20 North, Range 4 East of the W.M., in Pierce County, Washington.

(Tax Parcel No. 0420342141)

Parcel X:

Lots 2, 3 and 4, Block 2, Baumbach and Sowder's Addition to the City of Sumner, according to Plat recorded in Book 13 of Plats at Page 92, in Pierce County, Washington.  
Except the west 22 feet of Lot 2

(Tax Parcel No. 2350000060)

Parcel Y:

Lot 8, Block 2, Baumbach and Sowder's Addition to the City of Sumner, according to Plat recorded



For reference only, not for re-sale.

in Book 13 of Plats at Page 62, in Pierce County, Washington.

(Tax Parcel No. 2350000100)

Parcel Z:

Lots 1 to 4, inclusive, Block 3, Meeker's Second Addition to the Town of Puyallup, according to plat recorded in Book 2 of Plats at Page 93, in Pierce County, Washington.

Except the south 20 feet thereof.

Together with the east half of 4th Street SE abutting on the west, vacated by Ordinance No. 1582 of the City of Puyallup, recorded under Auditor's No. 2427043.

(Tax Parcel No. 5745000140)

Parcel AA:

The south 20 feet of Lots 1 to 4, inclusive and all of Lots 5 and 6, Block 3, Meeker's Second Addition to the Town of Puyallup, according to plat recorded in Book 2 of Plats at Page 93, in Pierce County, Washington.

Together with the east half of 4th Street SE abutting on the west, vacated by Ordinance No. 1582 of the City of Puyallup, recorded under Auditor's No. 2427043.

(Tax Parcel No. 5745000150)

Parcel BB:

Lots 7 to 10, inclusive, Block 3, Meeker's Second Addition to the Town of Puyallup, according to plat recorded in Book 2 of Plats at Page 93, in Pierce County, Washington.

Together with the east half of 4th Street SE abutting on the west, vacated by Ordinance No. 1582 of the City of Puyallup, recorded under Auditor's No. 2427043.

(Tax Parcel No. 5745000160)

Parcel CC:

Parcel A of City of Puyallup Boundary Line Revision No 00-84-014, recorded under Auditor's No. 200010065001, in Pierce County, Washington.

(Tax Parcel No. 7080000132)

# Exhibit 9

## Property Summary and Zoning Map

Exhibit 9a  
Pierce County Assessor Property  
Summary

## Pierce County Assessor-Treasurer Property Summary

407 14TH AVE SE

MULTICARE HEALTH SYSTEM  
9810000015

<p><b>Tax Description</b></p> <p>Section 34 Township 20 Range 04 Quarter 23 WOODS 1ST CANNOT BE SOLD OR SUBD WITHOUT 001-4 &amp; 001-6 LOT 1 OF BLA 2010-06-15-5001 DESC AS BEG AT A PT 30 FT E &amp; 151.05 FT N OF INTER OF 15TH AV SE &amp; 3RD ST SE TH N 322.08 FT TH N 305.27 FT TH E 692.45 FT TH S 78 DEG 58 MIN 52 SEC E 0.44 FT TH S 49.97 FT TH E 40.98 FT TH S 43.29 FT TH N 41.04 FT TH S 181.78 FT TH W 30 FT TH S 196.6 FT TO BEG CURVE CONCAVE TO NW HAVING A RAD OF 19.5 FT &amp; C/A OF 59 DEG 50 MIN 20 SEC &amp; BEING SUBTENDE BY A CHORD WHICH BEARS S 56 DEG 53 MIN 06 SEC W 19.45 FT TH SWLY &amp; WLY ALG SD CURVE 20.37 FT TO PT OF REVERSE CURV TH WLY &amp; SWLY &amp; SLY 90.9 FT CONCAVE TO SE HAVING A RAD OF 60.5 FT &amp; C/A OF 86 DEG 05 MIN 15 SEC TH S 3.26 FT TH SLY, SWLY &amp; WLY 14.92 FT ALG CURVE CONCAVE TO NW HAVING A RAD OF 9.5 FT &amp; C/A OF 89 DEG 59 MIN 59 SEC TH W 107.24 FT TO BEG OF CURVE CONCAVE TO NW HAVING A RAD OF 55.98 FT &amp; C/A OF 81 DEG 57 MIN 04 SEC &amp; BEING SUBTENDE BY CHORD WHICH BEARS S 49 DEG 34 MIN 17 SEC W 73.42 FT TH SLY, SWLY &amp; WLY ALG SD CURVE 80.07 FT TH W 6.43 FT TH S 131.8 FT TH SLY &amp; SELY 14.27 FT ALG SD CURVE CONCAVE TO E HAVING A RAD OF 25 FT &amp; C/A OF 32 DEG 42 MIN 11 SEC TH N 88 DEG 06 MIN 01 SEC W 77.46 FT TO BEG OF CURVE CONCAVE TO N HAVING A RAD OF 40 FT &amp; A C/A OF 43 DEG 31 MIN 52 SEC &amp; BEING SUBTENDE BY CHORD WHICH BEARS S 70 DEG 08 MIN 03 SEC W 29.66 FT TH SWLY &amp; WLY ALG SD CURVE 30.39 FT TH N 88 DEG 06 MIN 01 SEC W 238.87 FT TO BEG OF A CURVE CONCAVE TO NE HAVING A RAD OF 63 FT &amp; A C/A OF 65 DEG 47 MIN 29 SEC &amp; BEING SUBTENDE BY CHORD WHICH BEARS N 48 DEG 11 MIN 19 SEC W 68.43 FT TH WLY, NWLY &amp; NLY ALG SD CURVE 72.34 FT TH N 12 DEG 28 MIN 32 SEC W 81.31 FT TO POB EXC THAT POR DETER TAXABLE &amp; THAT POR DETER EXEMPT PER DOR REG # 09663-004 TOG/W VAC ORD 2958 EASE OF RECORD OUT OF 04-20-34-2-019, 981000-001-3, 055-0, 056-0, 059-0, 060-0, 061-0, 062-0 SEG 2011-0091 BB 10/11/10 BB DC00354165 5/2/2014 KG</p>	
<p><b>Property Details</b></p> <p><b>Parcel Number</b> 9810000015  <b>Site Address</b> 407 14TH AVE SE  <b>Account Type</b> Real Property  <b>Category</b> Land and Improvements  <b>Use Code</b> 6510-HOSPITAL</p>	<p><b>Taxpayer Details</b></p> <p><b>Taxpayer Name</b> MULTICARE HEALTH SYSTEM  <b>Mailing Address</b> PO BOX 5299  MS 737-4-FSAD  TACOMA, WA  98415</p>
<p><b>Appraisal Details</b></p> <p><b>Neighborhood</b> 503 / 0  <b>Value Area</b> PI3  <b>Appr Acct Type</b> Commercial  <b>Business Name</b> GOOD SAMARITAN HOSPITAL  <b>Last Inspection</b> 04/29/2022-Physical Inspection  <b>Appraisal Area</b> 5</p>	<p><b>Related Parcels</b></p> <p><b>Group Account Number</b> 72651  <b>Located On</b> n/a  <b>Associated Parcels</b> 1200126299 1200140501  2700009650</p>

<b>Assessed Value</b>			
<b>Value Year</b>	2022	<b>Assessed Total</b>	252,790,700
<b>Tax Year</b>	2023	<b>Assessed Land</b>	8,733,200
<b>Taxable Value</b>	29,286,900	<b>Assessed Improvements</b>	244,057,500
<b>Tax Code Area</b>	096	<b>Current Use Land</b>	0
<b>Tax Code Area Rate</b>	0	<b>Personal Property</b>	0
<b>Notice of Value Mailing Date</b>	06/24/2022		

<b>Assessment Details</b>	<b>Tax Amounts Due</b>									
2022 Values for 2023 Tax										
<b>Taxable Value</b> \$29,286,900										
<b>Assessed Value</b> \$252,790,700										
	<table border="1"> <thead> <tr> <th>Tax Year</th> <th>Minimum Due</th> <th>Total Due</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>184,298.98</td> <td>184,298.98</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>184,298.98</b></td> <td><b>184,298.98</b></td> </tr> </tbody> </table>	Tax Year	Minimum Due	Total Due	2022	184,298.98	184,298.98	<b>TOTAL</b>	<b>184,298.98</b>	<b>184,298.98</b>
Tax Year	Minimum Due	Total Due								
2022	184,298.98	184,298.98								
<b>TOTAL</b>	<b>184,298.98</b>	<b>184,298.98</b>								
	<b>Due Date</b> 10/30/22									

<b>Property Tax Exemptions</b>	
<b>Tax Year</b>	2023
<b>Type</b>	Non-Profit Caregivers, Libraries
<b>Expiration Date</b>	n/a
<b>Tax Year</b>	2023
<b>Type</b>	Partial Ex Improvement
<b>Expiration Date</b>	n/a
<b>Tax Year</b>	2023
<b>Type</b>	Partial Ex Land
<b>Expiration Date</b>	n/a
<b>Tax Year</b>	2022
<b>Type</b>	Non-Profit Caregivers, Libraries
<b>Expiration Date</b>	n/a
<b>Tax Year</b>	2022
<b>Type</b>	Partial Ex Improvement
<b>Expiration Date</b>	n/a
<b>Tax Year</b>	2022
<b>Type</b>	Partial Ex Land
<b>Expiration Date</b>	n/a

### Land Details

<b>Land Economic Area</b>	2053
<b>RTSQQ</b>	04-20-34-23
<b>Value Area</b>	PI3
<b>Neighborhood</b>	503 / 0
<b>Square Footage</b>	285,754
<b>Acres</b>	6.56
<b>Front Foot</b>	0
<b>Electric</b>	Power Installed
<b>Sewer</b>	Sewer/Septic Installed
<b>Water</b>	Water Installed

## Building 1 Details

### General Characteristics

<b>Property Type</b>	Commercial
<b>Condition</b>	Average
<b>Quality</b>	Average
<b>Neighborhood</b>	503
<b>Occupancy</b>	Hospital
<b>Square Feet</b>	115,221
<b>Net Square Feet</b>	115,221
<b>Attached Garage Square Feet</b>	0
<b>Detached Garage Square Feet</b>	0
<b>Carport Square Feet</b>	0
<b>Finished Attic Square Feet</b>	0
<b>Total Basement Square Feet</b>	0
<b>Finished Basement Square Feet</b>	39,754
<b>Basement Garage Door</b>	0
<b>Fireplaces</b>	0

### Built-As

<b>DESCRIPTION</b>	Hospital
<b>YEAR BUILT</b>	1950
<b>ADJUSTED YEAR BUILT</b>	1993
<b>SQUARE FEET</b>	99,898
<b>STORIES</b>	4
<b>BEDROOMS</b>	0
<b>BATHROOMS</b>	0
<b>EXTERIOR</b>	n/a
<b>CLASS</b>	Reinforced Concrete
<b>ROOF</b>	n/a
<b>HVAC</b>	Package Unit
<b>UNITS</b>	0
<b>SPRINKLER SQUARE FEET</b>	99,898

<b>DESCRIPTION</b>	Hospital
<b>YEAR BUILT</b>	1993
<b>ADJUSTED YEAR BUILT</b>	1993
<b>SQUARE FEET</b>	15,323
<b>STORIES</b>	4
<b>BEDROOMS</b>	0
<b>BATHROOMS</b>	0
<b>EXTERIOR</b>	n/a
<b>CLASS</b>	Reinforced Concrete
<b>ROOF</b>	n/a
<b>HVAC</b>	Package Unit
<b>UNITS</b>	1
<b>SPRINKLER SQUARE FEET</b>	15,323

### Improvement Details

Type	Description	Units
Basement	Finished	39,754



## Building 2 Details

### General Characteristics

<b>Property Type</b>	Commercial
<b>Condition</b>	Average
<b>Quality</b>	Good
<b>Neighborhood</b>	503
<b>Occupancy</b>	Hospital
<b>Square Feet</b>	293,067
<b>Net Square Feet</b>	329,708
<b>Attached Garage Square Feet</b>	0
<b>Detached Garage Square Feet</b>	0
<b>Carport Square Feet</b>	0
<b>Finished Attic Square Feet</b>	0
<b>Total Basement Square Feet</b>	0
<b>Finished Basement Square Feet</b>	36,641
<b>Basement Garage Door</b>	0
<b>Fireplaces</b>	0

### Built-As

<b>DESCRIPTION</b>	Hospital
<b>YEAR BUILT</b>	2010
<b>ADJUSTED YEAR BUILT</b>	2010
<b>SQUARE FEET</b>	293,067
<b>STORIES</b>	8
<b>BEDROOMS</b>	0
<b>BATHROOMS</b>	0
<b>EXTERIOR</b>	n/a
<b>CLASS</b>	Fireproof Steel
<b>ROOF</b>	n/a
<b>HVAC</b>	Complete HVAC
<b>UNITS</b>	0
<b>SPRINKLER SQUARE FEET</b>	329,708

### Improvement Details

Type	Description	Units
Add On	Asphalt (AV)	61,000
Basement	Finished	36,641

## Building 3 Details

### General Characteristics

<b>Property Type</b>	Commercial
<b>Condition</b>	Average
<b>Quality</b>	Average
<b>Neighborhood</b>	503
<b>Occupancy</b>	Hospital
<b>Square Feet</b>	33,043
<b>Net Square Feet</b>	33,043
<b>Attached Garage Square Feet</b>	0
<b>Detached Garage Square Feet</b>	0
<b>Carport Square Feet</b>	0
<b>Finished Attic Square Feet</b>	0
<b>Total Basement Square Feet</b>	0
<b>Finished Basement Square Feet</b>	0
<b>Basement Garage Door</b>	0
<b>Fireplaces</b>	0

**Built-As**

<b>DESCRIPTION</b>	Hospital
<b>YEAR BUILT</b>	1999
<b>ADJUSTED YEAR BUILT</b>	2001
<b>SQUARE FEET</b>	22,716
<b>STORIES</b>	1
<b>BEDROOMS</b>	0
<b>BATHROOMS</b>	0
<b>EXTERIOR</b>	n/a
<b>CLASS</b>	Masonry
<b>ROOF</b>	n/a
<b>HVAC</b>	Package Unit
<b>UNITS</b>	1
<b>SPRINKLER SQUARE FEET</b>	0

<b>DESCRIPTION</b>	Storage Warehouse
<b>YEAR BUILT</b>	1999
<b>ADJUSTED YEAR BUILT</b>	1999
<b>SQUARE FEET</b>	10,327
<b>STORIES</b>	2
<b>BEDROOMS</b>	0
<b>BATHROOMS</b>	0
<b>EXTERIOR</b>	n/a
<b>CLASS</b>	Wood Frame
<b>ROOF</b>	n/a
<b>HVAC</b>	Forced Air
<b>UNITS</b>	0
<b>SPRINKLER SQUARE FEET</b>	0

## Building 4 Details

### General Characteristics

Property Type	Commercial
Condition	Average
Quality	Average
Neighborhood	503
Occupancy	Hospital
Square Feet	114,573
Net Square Feet	114,573
Attached Garage Square Feet	0
Detached Garage Square Feet	0
Carport Square Feet	0
Finished Attic Square Feet	0
Total Basement Square Feet	0
Finished Basement Square Feet	0
Basement Garage Door	0
Fireplaces	0

### Built-As

DESCRIPTION	Hospital
YEAR BUILT	2001
ADJUSTED YEAR BUILT	2001
SQUARE FEET	114,573
STORIES	3
BEDROOMS	0
BATHROOMS	0
EXTERIOR	n/a
CLASS	Reinforced Concrete
ROOF	n/a
HVAC	Package Unit
UNITS	1
SPRINKLER SQUARE FEET	0

## Building 5 Details

### General Characteristics

<b>Property Type</b>	Commercial
<b>Condition</b>	Average
<b>Quality</b>	Average Plus
<b>Neighborhood</b>	503
<b>Occupancy</b>	Hospital
<b>Square Feet</b>	150,103
<b>Net Square Feet</b>	150,103
<b>Attached Garage Square Feet</b>	0
<b>Detached Garage Square Feet</b>	0
<b>Carport Square Feet</b>	0
<b>Finished Attic Square Feet</b>	0
<b>Total Basement Square Feet</b>	0
<b>Finished Basement Square Feet</b>	0
<b>Basement Garage Door</b>	0
<b>Fireplaces</b>	0

### Built-As

DESCRIPTION	Parking Structure
<b>YEAR BUILT</b>	1990
<b>ADJUSTED YEAR BUILT</b>	1990
<b>SQUARE FEET</b>	150,103
<b>STORIES</b>	3
<b>BEDROOMS</b>	0
<b>BATHROOMS</b>	0
<b>EXTERIOR</b>	n/a
<b>CLASS</b>	Reinforced Concrete
<b>ROOF</b>	n/a
<b>HVAC</b>	None
<b>UNITS</b>	1
<b>SPRINKLER SQUARE FEET</b>	0

## Building 6 Details

### General Characteristics

<b>Property Type</b>	Commercial
<b>Condition</b>	Average
<b>Quality</b>	Average
<b>Neighborhood</b>	503
<b>Occupancy</b>	Hospital
<b>Square Feet</b>	69,144
<b>Net Square Feet</b>	69,144
<b>Attached Garage Square Feet</b>	0
<b>Detached Garage Square Feet</b>	0
<b>Carport Square Feet</b>	0
<b>Finished Attic Square Feet</b>	0
<b>Total Basement Square Feet</b>	0
<b>Finished Basement Square Feet</b>	0
<b>Basement Garage Door</b>	0
<b>Fireplaces</b>	0

**Built-As**

<b>DESCRIPTION</b>	Hospital
<b>YEAR BUILT</b>	2001
<b>ADJUSTED YEAR BUILT</b>	2001
<b>SQUARE FEET</b>	42,835
<b>STORIES</b>	2
<b>BEDROOMS</b>	0
<b>BATHROOMS</b>	0
<b>EXTERIOR</b>	n/a
<b>CLASS</b>	Reinforced Concrete
<b>ROOF</b>	n/a
<b>HVAC</b>	Package Unit
<b>UNITS</b>	1
<b>SPRINKLER SQUARE FEET</b>	42,835

<b>DESCRIPTION</b>	Hospital
<b>YEAR BUILT</b>	1950
<b>ADJUSTED YEAR BUILT</b>	1975
<b>SQUARE FEET</b>	26,309
<b>STORIES</b>	1
<b>BEDROOMS</b>	0
<b>BATHROOMS</b>	0
<b>EXTERIOR</b>	n/a
<b>CLASS</b>	Reinforced Concrete
<b>ROOF</b>	n/a
<b>HVAC</b>	Package Unit
<b>UNITS</b>	0
<b>SPRINKLER SQUARE FEET</b>	25,309



## Building 7 Details

### General Characteristics

<b>Property Type</b>	Commercial
<b>Condition</b>	Average
<b>Quality</b>	Average
<b>Neighborhood</b>	503
<b>Occupancy</b>	Hospital
<b>Square Feet</b>	150,460
<b>Net Square Feet</b>	150,460
<b>Attached Garage Square Feet</b>	0
<b>Detached Garage Square Feet</b>	0
<b>Carport Square Feet</b>	0
<b>Finished Attic Square Feet</b>	0
<b>Total Basement Square Feet</b>	0
<b>Finished Basement Square Feet</b>	0
<b>Basement Garage Door</b>	0
<b>Fireplaces</b>	0

### Built-As

DESCRIPTION	Parking Structure
YEAR BUILT	2011
ADJUSTED YEAR BUILT	2011
SQUARE FEET	150,460
STORIES	4
BEDROOMS	0
BATHROOMS	0
EXTERIOR	n/a
CLASS	Fireproof Steel
ROOF	n/a
HVAC	None
UNITS	0
SPRINKLER SQUARE FEET	0

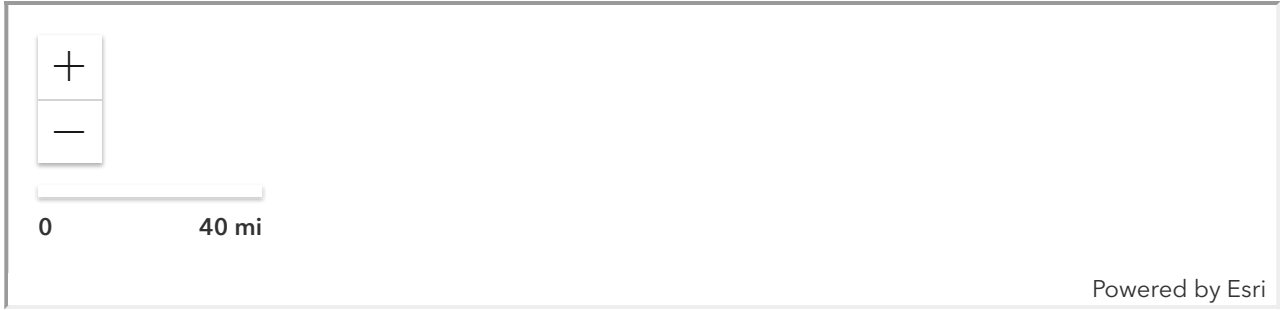
### Improvement Details

Type	Description	Units
Add On	Asphalt (AV)	3,200

### Sales History

Sorry, no sales available for display

### Map



**Photos**

Sorry, no photo available for display

**Sketches**































Sorry, no sketches available for display

# Exhibit 9b

## Zoning Map

# CITY OF PUYALLUP ZONING MAP

## MAP LEGEND

-  City Limits
-  Agriculture Overlay
-  Fair Parking Overlay
-  Mixed Use Design Review Overlay
-  Shaw-East Pioneer Overlay
-  OP - Professional Office
-  CB - Community Business
-  CBD - Central Business District
-  CBD-CORE - Central Business District Core
-  CG - General Commercial
-  CL - Limited Commercial
-  CCX - Community Commercial Mixed Use
-  CMX - Shaw-Pioneer Community Mixed Use
-  LMX - Limited Mixed Use
-  RMX - River Road Mixed Use
-  UCX - Urban Center Mixed Use
-  ML - Limited Manufacturing
-  MP - Business Park
-  RM-10 - Medium Density Multiple-Family Residential
-  RM-20 - High Density Multiple-Family Residential
-  RM-CORE - Regional Growth Center Oriented Multi-family Residential
-  RS-04 - High Urban Density Single-Family Residential
-  RS-06 - Urban Density Single-Family
-  RS-08 - Medium Density Single-Family
-  RS-10 - Low Urban Density Single-Family Residential
-  RS-35 - Very Low Density Single-Family Residential
-  PF - Public Facilities
-  MED - Medical
-  FAIR - Fair
-  ARO - Agriculture, Recreation and Open Space

**HR** Properties on City of Puyallup's Historical Register

**THIS IS AN OFFICIAL MAP**

Please contact the Planning Division for site specific information.

**MUNICIPAL FACTS**  
 Population: 41,100 (April 1, 2018)  
 Area: 14.27 Square Miles (July 26, 2017)

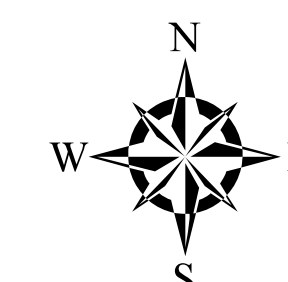
Disclaimer:  
 The map features are approximate and are intended only to provide an indication of said feature. Additional areas that have not been mapped may be present. This is not a survey. Orthophotos and other data may not align. The County and the City of Puyallup assumes no liability for variations ascertained by actual survey. ALL DATA IS EXPRESSLY PROVIDED "AS IS" AND "WITH ALL FAULTS". The County and City of Puyallup makes no warranty of fitness for a particular purpose.

0 1,000 2,000 4,000  
 Feet  
 1" = 1,000'

January 1, 2019



City of Puyallup  
 Information Technology  
 Department



File Name: jray\planning\zoning\zoning\_e.mxd

# Exhibit 10

## Letter of Financial Commitment



## MEMORANDUM

**Date:** August 9, 2022  
**To:** Whom It May Concern  
**From:** Jason Mitchell, Vice President of Finance, MultiCare Health System  
**Subject:** Good Samaritan 2022 Certificate of Need Financial Commitment Letter

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To Whom It May Concern:

MultiCare plans to fund the project through a combination of cash from operations, philanthropic gifts, and debt. The specific amount from each source has not yet been identified, but we have sufficient cash to fully fund the project, and we are establishing a \$200 million line of credit that could also be used if needed until any debt is issued.

We estimate approximately \$14,000,000 in calculated interest expense on the \$200,000,000 in debt, should we fund this project with debt. See attached amortization schedule in the financial model assuming a short term line of credit and 30 year loan. In the interest of conservatism, we have included this \$14 million in the project capital expenditure figure and annual interest costs in the financial projections should we debt finance \$200,000,000.

Sincerely,



Jason Mitchell  
VP Finance – MultiCare Health System

# Exhibit 11

## Contractor's Letter

July 25, 2022

Eric Hernandez, Manager  
Certificate of Need Program  
Washington Department of Health  
111 Israel Road SE  
Tumwater WA 98501

Re: Certificate of Need Application for the Multicare Good Samaritan Hospital Patient Care Tower Expansion.

Dear Mr. Hernandez,

On behalf of Good Samaritan Hospital, I am writing regarding the Certificate of Need Application for the proposed 160 bed Patient Care Tower Expansion, planned to be constructed in Puyallup, WA. Based on our experience with similar construction projects, we have developed the following capital costs estimate:

Construction Cost	\$284,347,058
Washington State Sales Tax 10%	\$28,434,706
<b>Total</b>	<b>\$312,781,764</b>

We believe this to be a reasonable cost estimate for the construction associated with this project. Please contact us if you have any further questions or require any additional information.

*Chris Martindale*

**Chris Martindale**

Vice President - Healthcare | Howard S. Wright, a Balfour Beatty company  
O: 206-447-7676 | C: 425-890-1177 | E: [martindalec@hswc.com](mailto:martindalec@hswc.com)  
415 1st Avenue North, Suite 400, Seattle, WA 98109  
[www.balfourbeattyus.com](http://www.balfourbeattyus.com)

# Exhibit 12

## Equipment List

Category	Subcategory	Fixed (F) or Movable (M)	Unit Price	Item QT	Subtotal	Tax Rate	Total Tax	Subtotal
Additional equipment	Allowance	M	\$5,967,186.05	1	\$5,967,186.05	10.00%	\$596,718.61	\$6,563,904.66
Allowance	Art Work	M	\$200.00	1	\$200.00	10.00%	\$20.00	\$220.00
Allowance	Monitoring/Cabling	M	\$49,899.00	1	\$49,899.00	10.00%	\$4,989.90	\$54,888.90
Analyzer, Lab	Blood Gas, Point-of-Care	M	\$50,000.00	1	\$50,000.00	10.00%	\$5,000.00	\$55,000.00
Analyzer, Lab	Blood Gas, Point-of-Care	M	\$14,900.00	5	\$74,500.00	10.00%	\$7,450.00	\$81,950.00
Analyzer, Lab	Blood Gas	M	\$19,500.00	5	\$97,500.00	10.00%	\$9,750.00	\$107,250.00
Artwork	Framed	M	\$199.00	2	\$398.00	10.00%	\$39.80	\$437.80
Bar	Grab, Toilet/Shower	F	\$49.00	2	\$98.00	10.00%	\$9.80	\$107.80
Basket	Cuff, Wall Mount	F	\$74.00	16	\$1,184.00	10.00%	\$118.40	\$1,302.40
Basket	Cuff, Wall Mount	F	\$73.75	216	\$15,930.00	10.00%	\$1,593.00	\$17,523.00
Bed	Electric, Critical Care	M	\$38,728.14	22	\$852,019.08	10.00%	\$85,201.91	\$937,220.99
Bed	Electric	M	\$15,544.02	108	\$1,678,754.16	10.00%	\$167,875.42	\$1,846,629.58
Bin	Shredding, Secure	M	\$377.00	2	\$754.00	10.00%	\$75.40	\$829.40
Blender	Food	M	\$268.00	1	\$268.00	10.00%	\$26.80	\$294.80
Board	Bulletin/Marker Combo	F	\$136.00	1	\$136.00	10.00%	\$13.60	\$149.60
Board	White, Electronic Presentation, Wall	F	\$1,599.00	1	\$1,599.00	10.00%	\$159.90	\$1,758.90
Board	Patient Information	F	\$899.00	3	\$2,697.00	10.00%	\$269.70	\$2,966.70
Board	White, Electronic Presentation, Floor	M	\$1,479.00	1	\$1,479.00	10.00%	\$147.90	\$1,626.90
Bookcase	Office	M	\$1,737.00	4	\$6,948.00	10.00%	\$694.80	\$7,642.80
Bracket	Patient Evacuation Device	F	\$240.00	1	\$240.00	10.00%	\$24.00	\$264.00
Bracket	Projector, Ceiling Mount	F	\$213.00	2	\$426.00	10.00%	\$42.60	\$468.60
Bracket	Television, Wall, Flat Panel	F	\$191.00	5	\$955.00	10.00%	\$95.50	\$1,050.50
Bracket	Monitor & Keyboard, Wall	F	\$860.00	2	\$1,720.00	10.00%	\$172.00	\$1,892.00
Bracket	Patient Evacuation Device	F	\$240.00	8	\$1,920.00	10.00%	\$192.00	\$2,112.00
Bracket	Monitor, Wall	F	\$782.00	59	\$46,138.00	10.00%	\$4,613.80	\$50,751.80
Bracket	Monitor, Wall	F	\$750.00	111	\$83,250.00	10.00%	\$8,325.00	\$91,575.00
Bucket	Mopping	M	\$473.45	2	\$946.90	10.00%	\$94.69	\$1,041.59
Cabinet, File	Vertical, 4 drawer	M	\$527.00	3	\$1,581.00	10.00%	\$158.10	\$1,739.10
Cabinet, File	Lateral, 4-Drawer	M	\$1,226.00	2	\$2,452.00	10.00%	\$245.20	\$2,697.20
Cabinet, Storage, Clinical	Drying, Endoscope	M	\$33,910.00	1	\$33,910.00	10.00%	\$3,391.00	\$37,301.00
Cabinet, Warming	Foodservice, Holding	M	\$8,287.00	1	\$8,287.00	10.00%	\$828.70	\$9,115.70
Cabinet, Warming	Single, Floor, Mobile	M	\$8,635.98	1	\$8,635.98	10.00%	\$863.60	\$9,499.58
Cabinet, Warming	Dual, Freestanding	M	\$12,348.00	13	\$160,524.00	10.00%	\$16,052.40	\$176,576.40
Camera	CCTV, Color	F	\$649.00	2	\$1,298.00	10.00%	\$129.80	\$1,427.80
Cart / Truck	Soiled Utility	M	\$674.00	1	\$674.00	10.00%	\$67.40	\$741.40
Cart / Truck	Soiled Utility	M	\$768.00	2	\$1,536.00	10.00%	\$153.60	\$1,689.60
Cart / Truck	Soiled Utility	M	\$951.00	16	\$15,216.00	10.00%	\$1,521.60	\$16,737.60
Cart, A/V	w/ Cabinet	M	\$457.00	1	\$457.00	10.00%	\$45.70	\$502.70
Cart, A/V	Security	M	\$849.00	1	\$849.00	10.00%	\$84.90	\$933.90

Category	Subcategory	Fixed (F) or Movable (M)	Unit Price	Item QT	Subtotal	Tax Rate	Total Tax	Subtotal
Cart, Foodservice	Beverage	M	\$1,441.00	1	\$1,441.00	10.00%	\$144.10	\$1,585.10
Cart, Foodservice	Roll-in Rack	M	\$1,595.00	2	\$3,190.00	10.00%	\$319.00	\$3,509.00
Cart, Foodservice	Transport, Dishware	M	\$2,146.00	2	\$4,292.00	10.00%	\$429.20	\$4,721.20
Cart, Foodservice	Meal/Tray	M	\$5,475.00	1	\$5,475.00	10.00%	\$547.50	\$6,022.50
Cart, Foodservice	Meal/Tray	M	\$2,701.00	6	\$16,206.00	10.00%	\$1,620.60	\$17,826.60
Cart, Housekeeping	Stainless	M	\$1,361.00	1	\$1,361.00	10.00%	\$136.10	\$1,497.10
Cart, Housekeeping	Stainless	M	\$1,924.00	1	\$1,924.00	10.00%	\$192.40	\$2,116.40
Cart, Housekeeping	Polymer	M	\$507.00	6	\$3,042.00	10.00%	\$304.20	\$3,346.20
Cart, Medication	Large	M	\$3,388.00	1	\$3,388.00	10.00%	\$338.80	\$3,726.80
Cart, Procedure	Resuscitation	M	\$1,750.00	1	\$1,750.00	10.00%	\$175.00	\$1,925.00
Cart, Procedure	Resuscitation, Pediatric	M	\$1,885.00	1	\$1,885.00	10.00%	\$188.50	\$2,073.50
Cart, Procedure	Resuscitation	M	\$2,165.00	1	\$2,165.00	10.00%	\$216.50	\$2,381.50
Cart, Procedure	General	M	\$3,214.00	1	\$3,214.00	10.00%	\$321.40	\$3,535.40
Cart, Procedure	General	M	\$1,290.00	4	\$5,160.00	10.00%	\$516.00	\$5,676.00
Cart, Procedure	Resuscitation	M	\$1,750.00	5	\$8,750.00	10.00%	\$875.00	\$9,625.00
Cart, Procedure	General	M	\$3,214.00	36	\$115,704.00	10.00%	\$11,570.40	\$127,274.40
Cart, Supply	Modular	M	\$1,825.00	1	\$1,825.00	10.00%	\$182.50	\$2,007.50
Cart, Supply	Linen, 48 inch	M	\$831.00	4	\$3,324.00	10.00%	\$332.40	\$3,656.40
Cart, Supply	Chrome, 48 inch	M	\$1,413.00	4	\$5,652.00	10.00%	\$565.20	\$6,217.20
Cart, Supply	Linen, 48 inch	M	\$831.00	26	\$21,606.00	10.00%	\$2,160.60	\$23,766.60
Cart, Transport	Ice	M	\$1,152.00	2	\$2,304.00	10.00%	\$230.40	\$2,534.40
Cart, Utility	Wire, Basket	M	\$213.00	1	\$213.00	10.00%	\$21.30	\$234.30
Cart, Utility	Polymer	M	\$325.00	1	\$325.00	10.00%	\$32.50	\$357.50
Cart, Utility	Stainless	M	\$464.00	1	\$464.00	10.00%	\$46.40	\$510.40
Cart, Utility	Stainless	M	\$347.00	9	\$3,123.00	10.00%	\$312.30	\$3,435.30
Cart, Utility	Stainless	M	\$347.00	13	\$4,511.00	10.00%	\$451.10	\$4,962.10
Casework	Desk	F	\$491.30	1	\$491.30	10.00%	\$49.13	\$540.43
Casework	Cabinet, Base/Wall Combo	F	\$6,071.00	1	\$6,071.00	10.00%	\$607.10	\$6,678.10
Casework	Cabinet, Base w/Sink	F	\$5,035.00	2	\$10,070.00	10.00%	\$1,007.00	\$11,077.00
Chair, Clinical	Commode, Bariatric	M	\$367.00	2	\$734.00	10.00%	\$73.40	\$807.40
Chair, Clinical	Commode, Bariatric	M	\$367.00	12	\$4,404.00	10.00%	\$440.40	\$4,844.40
Chair, Interiors	Stacking w/o Arms	M	\$318.00	1	\$318.00	10.00%	\$31.80	\$349.80
Chair, Interiors	Guest, w/Arms	M	\$619.00	2	\$1,238.00	10.00%	\$123.80	\$1,361.80
Chair, Interiors	Guest, w/Arms	M	\$775.00	3	\$2,325.00	10.00%	\$232.50	\$2,557.50
Chair, Interiors	Guest, w/o Arms	M	\$740.00	5	\$3,700.00	10.00%	\$370.00	\$4,070.00
Chair, Interiors	Dining	M	\$425.00	100	\$42,500.00	10.00%	\$4,250.00	\$46,750.00
Chair, Office	Task, w/o Arms	M	\$563.50	2	\$1,127.00	10.00%	\$112.70	\$1,239.70
Chair, Office	High Back	M	\$1,312.00	1	\$1,312.00	10.00%	\$131.20	\$1,443.20
Chair, Office	Mid Back	M	\$1,125.00	2	\$2,250.00	10.00%	\$225.00	\$2,475.00

Category	Subcategory	Fixed (F) or Movable (M)	Unit Price	Item QT	Subtotal	Tax Rate	Total Tax	Subtotal
Chair, Office	Task, w/Arms	M	\$686.00	9	\$6,174.00	10.00%	\$617.40	\$6,791.40
Clock	Analog, Wall	F	\$177.00	3	\$531.00	10.00%	\$53.10	\$584.10
Clock	Analog, Synchronized, Wireless	F	\$170.00	4	\$680.00	10.00%	\$68.00	\$748.00
Clock	Digital, Synchronized, Wireless	F	\$252.00	3	\$756.00	10.00%	\$75.60	\$831.60
Clock	Analog, Wall	F	\$210.00	10	\$2,100.00	10.00%	\$210.00	\$2,310.00
Coffee Maker	Automatic, 3-6 Warmer	F	\$874.00	1	\$874.00	10.00%	\$87.40	\$961.40
Coffee Maker	Single Cup, Plumbed	F	\$1,440.00	1	\$1,440.00	10.00%	\$144.00	\$1,584.00
Coffee Maker	Automatic, 3-6 Warmer	F	\$827.16	2	\$1,654.32	10.00%	\$165.43	\$1,819.75
Coffee Maker	Dispenser	F	\$1,800.00	3	\$5,400.00	10.00%	\$540.00	\$5,940.00
Coffee Maker	Dispenser	F	\$1,800.00	6	\$10,800.00	10.00%	\$1,080.00	\$11,880.00
Coffee Maker	Domestic	M	\$30.00	1	\$30.00	10.00%	\$3.00	\$33.00
Coffee Maker	Pour-Over, 1-2 Warmer	M	\$352.58	1	\$352.58	10.00%	\$35.26	\$387.84
Compactor	Trash, Commercial	M	\$8,950.00	1	\$8,950.00	10.00%	\$895.00	\$9,845.00
Computer	Desktop	M	\$958.00	1	\$958.00	10.00%	\$95.80	\$1,053.80
Computer	Laptop	M	\$989.00	2	\$1,978.00	10.00%	\$197.80	\$2,175.80
Computer	Desktop	M	\$879.00	7	\$6,153.00	10.00%	\$615.30	\$6,768.30
Conveyor System	Automated	M	\$42,008.00	1	\$42,008.00	10.00%	\$4,200.80	\$46,208.80
Copier	Counter Top, Multifunction	M	\$3,310.00	1	\$3,310.00	10.00%	\$331.00	\$3,641.00
Defibrillator	Monitor, w/Pacing	M	\$15,407.00	2	\$30,814.00	10.00%	\$3,081.40	\$33,895.40
Defibrillator	Monitor, w/Pacing	M	\$20,000.00	2	\$40,000.00	10.00%	\$4,000.00	\$44,000.00
Defibrillator	Monitor, w/Pacing	M	\$11,495.00	4	\$45,980.00	10.00%	\$4,598.00	\$50,578.00
Deodorizer	Air, Wall Mount	F	\$71.00	2	\$142.00	10.00%	\$14.20	\$156.20
Desk	Office, L-Shaped	M	\$1,483.00	1	\$1,483.00	10.00%	\$148.30	\$1,631.30
Desk	Office, L-Shaped	M	\$1,782.00	1	\$1,782.00	10.00%	\$178.20	\$1,960.20
Desk	Office, Credenza	M	\$1,065.00	3	\$3,195.00	10.00%	\$319.50	\$3,514.50
Desk	Office, Executive	M	\$3,964.00	4	\$15,856.00	10.00%	\$1,585.60	\$17,441.60
Dialysis Unit	Renal Replacement	M	\$40,000.00	3	\$120,000.00	10.00%	\$12,000.00	\$132,000.00
Dishwasher	Domestic, Undercounter	F	\$399.00	1	\$399.00	10.00%	\$39.90	\$438.90
Dishwasher	Built-In	F	\$430.00	2	\$860.00	10.00%	\$86.00	\$946.00
Dishwasher	Domestic, ADA	F	\$800.00	3	\$2,400.00	10.00%	\$240.00	\$2,640.00
Disinfectant	Room, Ultraviolet, Mobile	M	\$102,172.00	1	\$102,172.00	10.00%	\$10,217.20	\$112,389.20
Dispenser	Toilet Paper, Surface Mount	F	\$18.46	2	\$36.92	10.00%	\$3.69	\$40.61
Dispenser	Toilet Seat Cover	F	\$26.22	2	\$52.44	10.00%	\$5.24	\$57.68
Dispenser	Hand Sanitizer, Wall Mount	F	\$14.00	4	\$56.00	10.00%	\$5.60	\$61.60
Dispenser	Cup, Wall Mount	F	\$59.00	1	\$59.00	10.00%	\$5.90	\$64.90
Dispenser	Soap, Wall Mount	F	\$24.00	5	\$120.00	10.00%	\$12.00	\$132.00
Dispenser	Hand Sanitizer, Wall Mount	F	\$26.00	6	\$156.00	10.00%	\$15.60	\$171.60
Dispenser	Personal Wipes, Wall Mounted	F	\$51.00	3	\$153.00	10.00%	\$15.30	\$168.30
Dispenser	Paper Towel, Surface Mount	F	\$40.37	5	\$201.85	10.00%	\$20.19	\$222.04

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Dispenser	Paper Towel, Surface Mount	F	\$48.00	5	\$240.00	10.00%	\$24.00	\$264.00
Dispenser	Soap, Wall Mount	F	\$54.34	6	\$326.04	10.00%	\$32.60	\$358.64
Dispenser	Cup, Wall Mount	F	\$126.00	3	\$378.00	10.00%	\$37.80	\$415.80
Dispenser	Personal Protection, Wall Mount	F	\$173.00	3	\$519.00	10.00%	\$51.90	\$570.90
Dispenser	Emesis Bag, Wall Mount	F	\$178.00	3	\$534.00	10.00%	\$53.40	\$587.40
Dispenser	Cleaning Solution	F	\$590.00	1	\$590.00	10.00%	\$59.00	\$649.00
Dispenser	Cleaning Solution	F	\$616.00	2	\$1,232.00	10.00%	\$123.20	\$1,355.20
Dispenser	Sanitary Napkin	F	\$686.00	2	\$1,372.00	10.00%	\$137.20	\$1,509.20
Dispenser	Cleaning Solution	F	\$511.72	6	\$3,070.32	10.00%	\$307.03	\$3,377.35
Dispenser	Paper Towel, with Trash Receptacle	F	\$1,594.00	2	\$3,188.00	10.00%	\$318.80	\$3,506.80
Dispenser	Emesis Bag, Wall Mount	F	\$148.94	40	\$5,957.60	10.00%	\$595.76	\$6,553.36
Dispenser	Hand Sanitizer, Freestanding	M	\$363.00	1	\$363.00	10.00%	\$36.30	\$399.30
Dispenser	Infection Prevention, Freestanding	M	\$919.00	1	\$919.00	10.00%	\$91.90	\$1,010.90
Dispenser, Beverage	Iced Tea Brewer	M	\$869.86	1	\$869.86	10.00%	\$86.99	\$956.85
Dispenser, Beverage	Soda, Countertop	M	\$6,562.00	1	\$6,562.00	10.00%	\$656.20	\$7,218.20
Dispenser, Beverage	Juice	M	\$8,133.00	1	\$8,133.00	10.00%	\$813.30	\$8,946.30
Dispenser, Glove	Triple Box	F	\$83.00	2	\$166.00	10.00%	\$16.60	\$182.60
Dispenser, Glove	Triple Box	F	\$75.71	3	\$227.13	10.00%	\$22.71	\$249.84
Dispenser, Glove	Triple Box	F	\$46.00	5	\$230.00	10.00%	\$23.00	\$253.00
Dispenser, Glove	Quadruple Box	F	\$90.00	9	\$810.00	10.00%	\$81.00	\$891.00
Dispenser, Glove	Quadruple Box	F	\$90.00	202	\$18,180.00	10.00%	\$1,818.00	\$19,998.00
Dispenser, Medication	Lock Module	M	\$3,505.00	1	\$3,505.00	10.00%	\$350.50	\$3,855.50
Dispenser, Medication	Host (Main)	M	\$32,304.00	1	\$32,304.00	10.00%	\$3,230.40	\$35,534.40
Dispenser, Medication	Host (Main)	M	\$39,816.79	2	\$79,633.58	10.00%	\$7,963.36	\$87,596.94
Dispenser, Medication	Lock Module	M	\$6,495.93	12	\$77,951.16	10.00%	\$7,795.12	\$85,746.28
Dispenser, Medication	Auxiliary	M	\$16,537.50	11	\$181,912.50	10.00%	\$18,191.25	\$200,103.75
Dispenser, Medication	Host (Main)	M	\$39,816.79	13	\$517,618.27	10.00%	\$51,761.83	\$569,380.10
Dispenser, Medication	Auxiliary	M	\$54,146.00	24	\$1,299,504.00	10.00%	\$129,950.40	\$1,429,454.40
Dispenser, Water	Bottled	M	\$146.00	1	\$146.00	10.00%	\$14.60	\$160.60
Disposal, Sharps	Wall Mount, Pharmacy	F	\$51.00	1	\$51.00	10.00%	\$5.10	\$56.10
Disposal, Sharps	Wall Mount, Pharmacy	F	\$48.00	2	\$96.00	10.00%	\$9.60	\$105.60
Disposal, Sharps	Wall Mount	F	\$56.00	4	\$224.00	10.00%	\$22.40	\$246.40
Disposal, Sharps	Wall Mount	F	\$94.00	53	\$4,982.00	10.00%	\$498.20	\$5,480.20
Disposal, Sharps	Wall Mount	F	\$131.00	133	\$17,423.00	10.00%	\$1,742.30	\$19,165.30
Disposal, Sharps	Floor Bin, Pharmacy	M	\$46.00	2	\$92.00	10.00%	\$9.20	\$101.20
Disposal, Sharps	Floor Bin, Pharmacy	M	\$46.00	11	\$506.00	10.00%	\$50.60	\$556.60
Disposal, Sharps	Floor Bin, Chemo	M	\$12.00	119	\$1,428.00	10.00%	\$142.80	\$1,570.80
Disposal, Sharps	Floor Cart	M	\$507.00	6	\$3,042.00	10.00%	\$304.20	\$3,346.20
Disposal, Sharps	Floor Bin, Chemo	M	\$32.00	108	\$3,456.00	10.00%	\$345.60	\$3,801.60



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Docking Station	Analyzer, Blood Gas, POC	M	\$1,450.00	1	\$1,450.00	10.00%	\$145.00	\$1,595.00
Docking Station	Meter, Blood Glucose	M	\$303.00	7	\$2,121.00	10.00%	\$212.10	\$2,333.10
Docking Station	Meter, Blood Glucose	M	\$303.00	9	\$2,727.00	10.00%	\$272.70	\$2,999.70
Docking Station	Analyzer, Blood Gas, POC	M	\$1,450.00	5	\$7,250.00	10.00%	\$725.00	\$7,975.00
Doppler	Fetal Heart, Battery Operated	M	\$745.00	1	\$745.00	10.00%	\$74.50	\$819.50
Doppler	Fetal Heart, Electric	M	\$1,220.00	6	\$7,320.00	10.00%	\$732.00	\$8,052.00
Dryer	Hand, Wall Mount	F	\$1,599.00	2	\$3,198.00	10.00%	\$319.80	\$3,517.80
Evacuation Device	Adult	M	\$411.00	1	\$411.00	10.00%	\$41.10	\$452.10
Evacuation Device	Adult	M	\$1,395.00	8	\$11,160.00	10.00%	\$1,116.00	\$12,276.00
Facsimile Machine	Multifunction	M	\$789.00	2	\$1,578.00	10.00%	\$157.80	\$1,735.80
Flowmeter	Air	M	\$48.00	3	\$144.00	10.00%	\$14.40	\$158.40
Flowmeter	Oxygen	M	\$48.00	3	\$144.00	10.00%	\$14.40	\$158.40
Flowmeter	Oxygen	M	\$110.00	6	\$660.00	10.00%	\$66.00	\$726.00
Flowmeter	Oxygen	M	\$264.00	74	\$19,536.00	10.00%	\$1,953.60	\$21,489.60
Flowmeter	Air	M	\$99.00	344	\$34,056.00	10.00%	\$3,405.60	\$37,461.60
Flowmeter	Oxygen	M	\$264.00	222	\$58,608.00	10.00%	\$5,860.80	\$64,468.80
Freezer	Commercial, 2 Door	M	\$4,526.57	1	\$4,526.57	10.00%	\$452.66	\$4,979.23
Freezer	Display, 1-Door	M	\$11,086.00	1	\$11,086.00	10.00%	\$1,108.60	\$12,194.60
Freezer	Medical Grade, Undercounter	M	\$7,255.00	12	\$87,060.00	10.00%	\$8,706.00	\$95,766.00
Furniture & Fixtures	Allowance	M	\$3,840,454.93	1	\$3,840,454.93	10.00%	\$384,045.49	\$4,224,500.42
Gun	Spray, Water/Steam, Wall Mount	F	\$3,075.00	1	\$3,075.00	10.00%	\$307.50	\$3,382.50
Hamper	Linen	M	\$228.00	4	\$912.00	10.00%	\$91.20	\$1,003.20
Hamper	Linen	M	\$416.00	179	\$74,464.00	10.00%	\$7,446.40	\$81,910.40
Headwall	Rail System, 1 Patient	F	\$2,641.00	1	\$2,641.00	10.00%	\$264.10	\$2,905.10
Headwall	Flatwall, 1 Patient	F	\$2,906.00	1	\$2,906.00	10.00%	\$290.60	\$3,196.60
Heater	Dish, Food Service	M	\$4,706.00	1	\$4,706.00	10.00%	\$470.60	\$5,176.60
Hood	Range, Exhaust, Vented	F	\$230.00	1	\$230.00	10.00%	\$23.00	\$253.00
Hook	Coat/Robe, Wall Mount	F	\$20.00	1	\$20.00	10.00%	\$2.00	\$22.00
Hypo-Hyperthermia Unit	General	M	\$35,631.00	1	\$35,631.00	10.00%	\$3,563.10	\$39,194.10
Hypo-Hyperthermia Unit	General	M	\$6,099.00	8	\$48,792.00	10.00%	\$4,879.20	\$53,671.20
Hypo-Hyperthermia Unit	General	M	\$56,000.00	1	\$56,000.00	10.00%	\$5,600.00	\$61,600.00
Ice Machine	Modular w/Bin, Cuber	F	\$8,519.00	1	\$8,519.00	10.00%	\$851.90	\$9,370.90
Ice Machine	Dispenser, Nugget, Freestanding	F	\$10,990.00	1	\$10,990.00	10.00%	\$1,099.00	\$12,089.00
Ice Machine	Allowance	F	\$12,000.00	4	\$48,000.00	10.00%	\$4,800.00	\$52,800.00
Ice Machine	Dispenser, Nugget, Countertop	F	\$8,105.00	13	\$105,365.00	10.00%	\$10,536.50	\$115,901.50
Imaging System	Vascular	M	\$27,358.00	1	\$27,358.00	10.00%	\$2,735.80	\$30,093.80
Imaging System	Vascular	M	\$29,900.00	2	\$59,800.00	10.00%	\$5,980.00	\$65,780.00
IS&T	Allowance	M	\$4,123,829.00	1	\$4,123,829.00	10.00%	\$412,382.90	\$4,536,211.90
Lamp	Interiors, Floor	M	\$100.00	1	\$100.00	10.00%	\$10.00	\$110.00

Category	Subcategory	Fixed (F) or Movable (M)	Unit Price	Item QT	Subtotal	Tax Rate	Total Tax	Subtotal
Lamp	Interiors, Table	M	\$100.00	1	\$100.00	10.00%	\$10.00	\$110.00
Lamp	Interiors, Table	M	\$1,000.00	2	\$2,000.00	10.00%	\$200.00	\$2,200.00
Lectern	Standard	M	\$1,422.00	2	\$2,844.00	10.00%	\$284.40	\$3,128.40
Lift, Patient	Ceiling, 1-Bed	F	\$5,621.20	2	\$11,242.40	10.00%	\$1,124.24	\$12,366.64
Lift, Patient	Ceiling, 1-Bed, Bariatric	F	\$10,739.95	7	\$75,179.65	10.00%	\$7,517.97	\$82,697.62
Lift, Patient	Ceiling, 1-Bed	F	\$5,907.85	38	\$224,498.30	10.00%	\$22,449.83	\$246,948.13
Lift, Patient	Battery Powered	M	\$6,361.00	1	\$6,361.00	10.00%	\$636.10	\$6,997.10
Lift, Patient	Battery Powered	M	\$6,392.00	12	\$76,704.00	10.00%	\$7,670.40	\$84,374.40
Light, Exam/Procedure	Single, Ceiling	F	\$2,150.00	3	\$6,450.00	10.00%	\$645.00	\$7,095.00
Light, Exam/Procedure	Single, Ceiling	F	\$3,100.00	22	\$68,200.00	10.00%	\$6,820.00	\$75,020.00
Light, Exam/Procedure	Single, Floor	M	\$275.00	1	\$275.00	10.00%	\$27.50	\$302.50
Light, Exam/Procedure	Single, Mobile, Gooseneck Arm	M	\$923.00	8	\$7,384.00	10.00%	\$738.40	\$8,122.40
Locator	Vein	M	\$5,396.00	1	\$5,396.00	10.00%	\$539.60	\$5,935.60
Locator	Vein	M	\$5,975.00	8	\$47,800.00	10.00%	\$4,780.00	\$52,580.00
Locker	Purse	F	\$340.00	1	\$340.00	10.00%	\$34.00	\$374.00
Mat, Floor	Anti-Fatigue	M	\$230.00	2	\$460.00	10.00%	\$46.00	\$506.00
Mirror	Vanity	F	\$62.45	2	\$124.90	10.00%	\$12.49	\$137.39
Miscellaneous	Allowance	M	\$0.00	1	\$0.00	10.00%	\$0.00	\$0.00
Monitor	Blood Glucose, Point-of-Care	M	\$1,217.00	1	\$1,217.00	10.00%	\$121.70	\$1,338.70
Monitor	Blood Glucose, Point-of-Care	M	\$2,573.00	7	\$18,011.00	10.00%	\$1,801.10	\$19,812.10
Monitor	Blood Glucose, Point-of-Care	M	\$2,573.00	9	\$23,157.00	10.00%	\$2,315.70	\$25,472.70
Monitor, Computer	LCD, 20 - 25 inch	M	\$699.00	1	\$699.00	10.00%	\$69.90	\$768.90
Monitor, Computer	LCD, 26 - 32 inch	M	\$369.00	6	\$2,214.00	10.00%	\$221.40	\$2,435.40
Monitor, Computer	LCD, 26 - 32 inch	M	\$1,329.00	2	\$2,658.00	10.00%	\$265.80	\$2,923.80
Monitor, Physiologic	Vital Signs, with Pulse Ox	M	\$3,444.00	1	\$3,444.00	10.00%	\$344.40	\$3,788.40
Monitor, Physiologic	Bedside, With Mobile Stand	M	\$10,106.00	3	\$30,318.00	10.00%	\$3,031.80	\$33,349.80
Monitor, Physiologic	Fluid Output / Temperature	M	\$5,000.00	22	\$110,000.00	10.00%	\$11,000.00	\$121,000.00
Monitor, Video	26 - 32 inch, Display	M	\$439.00	1	\$439.00	10.00%	\$43.90	\$482.90
Monitor, Video	34 - 37 inch, Display	M	\$882.00	1	\$882.00	10.00%	\$88.20	\$970.20
Monitoring System	Temperature	M	\$500.00	57	\$28,500.00	10.00%	\$2,850.00	\$31,350.00
Monitoring System	Temperature	M	\$500.00	139	\$69,500.00	10.00%	\$6,950.00	\$76,450.00
Nurse Call	Staff Station	F	\$2,918.00	1	\$2,918.00	10.00%	\$291.80	\$3,209.80
Nurse Call	Patient Station	F	\$2,242.00	2	\$4,484.00	10.00%	\$448.40	\$4,932.40
Oto/Ophthalmoscope Set	Wall Mount	F	\$1,232.00	22	\$27,104.00	10.00%	\$2,710.40	\$29,814.40
Oto/Ophthalmoscope Set	Wall Mount	F	\$1,232.00	111	\$136,752.00	10.00%	\$13,675.20	\$150,427.20
Oto/Ophthalmoscope Set	w/ Mobile Stand	M	\$1,708.00	1	\$1,708.00	10.00%	\$170.80	\$1,878.80
Oven	Domestic, Microwave, Countertop	M	\$149.00	1	\$149.00	10.00%	\$14.90	\$163.90
Oven	Domestic, Microwave, Countertop	M	\$210.00	1	\$210.00	10.00%	\$21.00	\$231.00
Oven	Domestic, Microwave, Countertop	M	\$219.00	3	\$657.00	10.00%	\$65.70	\$722.70

Category	Subcategory	Fixed (F) or Movable (M)	Unit Price	Item QT	Subtotal	Tax Rate	Total Tax	Subtotal
Oven	Commercial, Convection	M	\$759.99	1	\$759.99	10.00%	\$76.00	\$835.99
Oven	Commercial, Microwave	M	\$1,220.00	1	\$1,220.00	10.00%	\$122.00	\$1,342.00
Oven	Domestic, Microwave, Countertop	M	\$219.00	24	\$5,256.00	10.00%	\$525.60	\$5,781.60
Oximeter	Pulse	M	\$3,334.00	1	\$3,334.00	10.00%	\$333.40	\$3,667.40
Oximeter	Pulse	M	\$4,500.00	6	\$27,000.00	10.00%	\$2,700.00	\$29,700.00
Pacemaker	External	M	\$5,900.00	8	\$47,200.00	10.00%	\$4,720.00	\$51,920.00
Patient Care System	Allowance	M	\$239,776.00	1	\$239,776.00	10.00%	\$23,977.60	\$263,753.60
Patient Care System	Allowance	M	\$261,888.00	1	\$261,888.00	10.00%	\$26,188.80	\$288,076.80
Patient Care System	Allowance	M	\$441,826.00	1	\$441,826.00	10.00%	\$44,182.60	\$486,008.60
Patient Care System	Allowance	M	\$499,293.00	1	\$499,293.00	10.00%	\$49,929.30	\$549,222.30
Patient Care System	Allowance	M	\$735,245.00	1	\$735,245.00	10.00%	\$73,524.50	\$808,769.50
Player	DVD/VCR	M	\$195.00	1	\$195.00	10.00%	\$19.50	\$214.50
Player	DVD	M	\$200.00	1	\$200.00	10.00%	\$20.00	\$220.00
Printer	Laser	M	\$120.00	1	\$120.00	10.00%	\$12.00	\$132.00
Printer	Label	M	\$288.00	1	\$288.00	10.00%	\$28.80	\$316.80
Printer	Receipt	M	\$457.00	1	\$457.00	10.00%	\$45.70	\$502.70
Printer	Laser, Multifunction	M	\$1,000.00	7	\$7,000.00	10.00%	\$700.00	\$7,700.00
Processor	Credit Card, Wireless	M	\$355.00	1	\$355.00	10.00%	\$35.50	\$390.50
Projector	Overhead	M	\$388.00	1	\$388.00	10.00%	\$38.80	\$426.80
Projector	Digital, Multimedia	M	\$1,365.00	2	\$2,730.00	10.00%	\$273.00	\$3,003.00
Pump	Enteral	M	\$710.99	2	\$1,421.98	10.00%	\$142.20	\$1,564.18
Pump	Heart / Lung, ECMO	M	\$121,000.00	1	\$121,000.00	10.00%	\$12,100.00	\$133,100.00
Pump, Infusion	Single	M	\$2,206.00	1	\$2,206.00	10.00%	\$220.60	\$2,426.60
Pump, Infusion	Triple	M	\$7,495.00	1	\$7,495.00	10.00%	\$749.50	\$8,244.50
Pump, Infusion	Triple	M	\$7,475.00	14	\$104,650.00	10.00%	\$10,465.00	\$115,115.00
Pump, Infusion	Single	M	\$2,300.00	116	\$266,800.00	10.00%	\$26,680.00	\$293,480.00
Pump, Suction/Aspirator	General, Portable	M	\$720.00	2	\$1,440.00	10.00%	\$144.00	\$1,584.00
Pump, Suction/Aspirator	General, Portable	M	\$890.00	2	\$1,780.00	10.00%	\$178.00	\$1,958.00
Rack	Mops / Brooms	F	\$61.00	1	\$61.00	10.00%	\$6.10	\$67.10
Rack	Mops / Brooms	F	\$62.00	1	\$62.00	10.00%	\$6.20	\$68.20
Rack	Coat, Wall Mount	F	\$122.00	1	\$122.00	10.00%	\$12.20	\$134.20
Rack	Mops / Brooms	F	\$51.00	6	\$306.00	10.00%	\$30.60	\$336.60
Rack	Literature, Wall Mount	F	\$446.00	1	\$446.00	10.00%	\$44.60	\$490.60
Rack	Drying, Foodservice	M	\$2,390.00	1	\$2,390.00	10.00%	\$239.00	\$2,629.00
Rail System	Bedside Accessory	F	\$133.00	37	\$4,921.00	10.00%	\$492.10	\$5,413.10
Range	Gas, Commercial	F	\$12,431.00	1	\$12,431.00	10.00%	\$1,243.10	\$13,674.10
Refrigerator	Environmental Room, Walk-In	F	\$16,340.00	1	\$16,340.00	10.00%	\$1,634.00	\$17,974.00
Refrigerator	Domestic with Freezer	M	\$578.00	1	\$578.00	10.00%	\$57.80	\$635.80
Refrigerator	Domestic with Freezer	M	\$931.00	1	\$931.00	10.00%	\$93.10	\$1,024.10

Category	Subcategory	Fixed (F) or Movable (M)	Unit Price	Item QT	Subtotal	Tax Rate	Total Tax	Subtotal
Refrigerator	Undercounter w/ Freezer	M	\$677.00	2	\$1,354.00	10.00%	\$135.40	\$1,489.40
Refrigerator	Commercial, 2 Door	M	\$3,429.92	1	\$3,429.92	10.00%	\$342.99	\$3,772.91
Refrigerator	Medical Grade, Undercounter	M	\$4,840.00	1	\$4,840.00	10.00%	\$484.00	\$5,324.00
Refrigerator	Commercial, w/ Freezer	M	\$1,806.00	5	\$9,030.00	10.00%	\$903.00	\$9,933.00
Refrigerator	Commercial, w/ Freezer	M	\$1,806.00	14	\$25,284.00	10.00%	\$2,528.40	\$27,812.40
Refrigerator	Commercial, 1 Door	M	\$3,626.00	8	\$29,008.00	10.00%	\$2,900.80	\$31,908.80
Refrigerator	Medical Grade, Undercounter	M	\$4,580.00	12	\$54,960.00	10.00%	\$5,496.00	\$60,456.00
Refrigerator	Medical Grade, Undercounter	M	\$4,580.00	18	\$82,440.00	10.00%	\$8,244.00	\$90,684.00
Refrigerator	Medical Grade, Compact	M	\$3,665.00	130	\$476,450.00	10.00%	\$47,645.00	\$524,095.00
Refrigerator, Display	2-Door, Pass-Thru	M	\$4,340.51	1	\$4,340.51	10.00%	\$434.05	\$4,774.56
Refrigerator, Display	1-Door	M	\$4,621.00	1	\$4,621.00	10.00%	\$462.10	\$5,083.10
Refrigerator, Display	Deli	M	\$8,119.19	1	\$8,119.19	10.00%	\$811.92	\$8,931.11
Register, Cash	Electronic	M	\$630.00	1	\$630.00	10.00%	\$63.00	\$693.00
Regulator	Suction, Intermittent/Continuous	M	\$740.00	6	\$4,440.00	10.00%	\$444.00	\$4,884.00
Regulator	Suction, Intermittent/Continuous	M	\$1,053.00	364	\$383,292.00	10.00%	\$38,329.20	\$421,621.20
Safe	Depository	F	\$1,185.00	1	\$1,185.00	10.00%	\$118.50	\$1,303.50
Safe	Firearms	F	\$10,405.00	1	\$10,405.00	10.00%	\$1,040.50	\$11,445.50
Safe	Electronic	M	\$129.00	130	\$16,770.00	10.00%	\$1,677.00	\$18,447.00
Scale	Dietary	M	\$110.00	1	\$110.00	10.00%	\$11.00	\$121.00
Scale, Clinical	Adult, Wheelchair	M	\$3,465.00	1	\$3,465.00	10.00%	\$346.50	\$3,811.50
Scale, Clinical	Adult, Digital, Floor	M	\$1,916.00	2	\$3,832.00	10.00%	\$383.20	\$4,215.20
Scale, Clinical	Adult, Digital, Floor	M	\$2,855.00	6	\$17,130.00	10.00%	\$1,713.00	\$18,843.00
Scale, Clinical	Diaper, Electric	M	\$844.00	23	\$19,412.00	10.00%	\$1,941.20	\$21,353.20
Scale, Clinical	Infant, Mobile	M	\$6,471.00	5	\$32,355.00	10.00%	\$3,235.50	\$35,590.50
Scale, Clinical	Infant, Mobile	M	\$6,471.00	9	\$58,239.00	10.00%	\$5,823.90	\$64,062.90
Scanner	Barcode	M	\$492.34	1	\$492.34	10.00%	\$49.23	\$541.57
Screen	Projection, Motorized, Wall Mount	F	\$947.00	1	\$947.00	10.00%	\$94.70	\$1,041.70
Screen	Projection, Motorized, Ceiling Mount	F	\$1,975.00	1	\$1,975.00	10.00%	\$197.50	\$2,172.50
Seating, Lounge	4-Seat	M	\$100,000.00	1	\$100,000.00	10.00%	\$10,000.00	\$110,000.00
Services	Installation	F	\$843,000.00	1	\$843,000.00	10.00%	\$84,300.00	\$927,300.00
Services	Allowance	M	\$75,000.00	1	\$75,000.00	10.00%	\$7,500.00	\$82,500.00
Services	Training	M	\$80,650.00	1	\$80,650.00	10.00%	\$8,065.00	\$88,715.00
Shelving	Wire, Wall, Single	F	\$157.00	1	\$157.00	10.00%	\$15.70	\$172.70
Shelving	Bins, Wall	F	\$120.00	3	\$360.00	10.00%	\$36.00	\$396.00
Shelving	Wire, Wall, Multi	F	\$401.00	1	\$401.00	10.00%	\$40.10	\$441.10
Shelving	Wire, Wall, Multi	F	\$512.00	1	\$512.00	10.00%	\$51.20	\$563.20
Shelving	Solid, Steel, 48 inch	M	\$446.85	1	\$446.85	10.00%	\$44.69	\$491.54
Shelving	Wire, Chrome, 48 inch	M	\$465.00	2	\$930.00	10.00%	\$93.00	\$1,023.00
Shelving	Wire, Chrome, 60 inch	M	\$540.00	2	\$1,080.00	10.00%	\$108.00	\$1,188.00

Category	Subcategory	Fixed (F) or Movable (M)	Unit Price	Item QT	Subtotal	Tax Rate	Total Tax	Subtotal
Shelving	Wire, Stainless Steel, 36 inch	M	\$1,264.00	1	\$1,264.00	10.00%	\$126.40	\$1,390.40
Shelving	Wire, Stainless Steel, 48 inch	M	\$1,614.00	1	\$1,614.00	10.00%	\$161.40	\$1,775.40
Shelving	Wire, Chrome, 60 inch	M	\$834.00	2	\$1,668.00	10.00%	\$166.80	\$1,834.80
Shelving	Wire, Stainless Steel, 60 inch	M	\$2,346.00	1	\$2,346.00	10.00%	\$234.60	\$2,580.60
Shelving	Wire, Chrome, 60 inch	M	\$767.00	23	\$17,641.00	10.00%	\$1,764.10	\$19,405.10
Shelving	Wire, Chrome, 48 inch	M	\$751.00	28	\$21,028.00	10.00%	\$2,102.80	\$23,130.80
Shelving	Wire, Chrome, 48 inch	M	\$751.00	33	\$24,783.00	10.00%	\$2,478.30	\$27,261.30
Signage	Defibrillator	F	\$33.00	1	\$33.00	10.00%	\$3.30	\$36.30
Signage	Menu	M	\$195.00	1	\$195.00	10.00%	\$19.50	\$214.50
Sink	Hand, Wall Mount	F	\$547.00	1	\$547.00	10.00%	\$54.70	\$601.70
Sink	Utility, 1-Compartment	F	\$803.00	1	\$803.00	10.00%	\$80.30	\$883.30
Sink	Utility, 2-Compartment	F	\$2,184.00	1	\$2,184.00	10.00%	\$218.40	\$2,402.40
Sink	Utility, 1-Compartment	F	\$4,428.00	1	\$4,428.00	10.00%	\$442.80	\$4,870.80
Sofa	Lounge	M	\$4,496.00	1	\$4,496.00	10.00%	\$449.60	\$4,945.60
Sorter	Mail, Freestanding	M	\$3,029.00	1	\$3,029.00	10.00%	\$302.90	\$3,331.90
Stadiometer	Wall Mount	F	\$120.00	1	\$120.00	10.00%	\$12.00	\$132.00
Stadiometer	Wall Mount	F	\$407.00	1	\$407.00	10.00%	\$40.70	\$447.70
Stand, IV	Stainless Steel	M	\$320.00	4	\$1,280.00	10.00%	\$128.00	\$1,408.00
Stand, IV	w/Support	M	\$657.64	196	\$128,897.44	10.00%	\$12,889.74	\$141,787.18
Stand, Mayo	Thumb-Operated	M	\$562.00	1	\$562.00	10.00%	\$56.20	\$618.20
Stand, Mayo	Foot-Operated	M	\$1,176.00	6	\$7,056.00	10.00%	\$705.60	\$7,761.60
Stereo System	Countertop	M	\$1,100.00	1	\$1,100.00	10.00%	\$110.00	\$1,210.00
Stool	Exam, w/Backrest	M	\$369.00	2	\$738.00	10.00%	\$73.80	\$811.80
Stool	High, w/Backrest	M	\$1,023.00	1	\$1,023.00	10.00%	\$102.30	\$1,125.30
Stretcher	Procedure / Recovery	M	\$6,889.00	3	\$20,667.00	10.00%	\$2,066.70	\$22,733.70
Stretcher	Procedure / Recovery	M	\$6,857.00	40	\$274,280.00	10.00%	\$27,428.00	\$301,708.00
Table, Changing	Infant, Wall Mount	F	\$411.00	2	\$822.00	10.00%	\$82.20	\$904.20
Table, Interiors	Accent	M	\$715.00	1	\$715.00	10.00%	\$71.50	\$786.50
Table, Interiors	End	M	\$905.00	2	\$1,810.00	10.00%	\$181.00	\$1,991.00
Table, Interiors	Conference	M	\$1,017.00	4	\$4,068.00	10.00%	\$406.80	\$4,474.80
Table, Interiors	Dining	M	\$1,680.00	25	\$42,000.00	10.00%	\$4,200.00	\$46,200.00
Table, Interiors	Allowance	M	\$100,000.00	1	\$100,000.00	10.00%	\$10,000.00	\$110,000.00
Table, Overbed	General	M	\$506.00	3	\$1,518.00	10.00%	\$151.80	\$1,669.80
Table, Overbed	General	M	\$650.00	170	\$110,500.00	10.00%	\$11,050.00	\$121,550.00
Table, Work	Stainless, 96 inch	M	\$3,595.00	1	\$3,595.00	10.00%	\$359.50	\$3,954.50
Table, Work	Stainless, 72-78 inch	M	\$4,800.00	1	\$4,800.00	10.00%	\$480.00	\$5,280.00
Table, Work	Stainless, 48 inch	M	\$4,368.00	2	\$8,736.00	10.00%	\$873.60	\$9,609.60
Table, Work	Stainless, 24-29 inch	M	\$982.01	22	\$21,604.22	10.00%	\$2,160.42	\$23,764.64
Telemetry	Traditional Band, 5-8 Channels	M	\$706,130.00	1	\$706,130.00	10.00%	\$70,613.00	\$776,743.00

Category	Subcategory	Fixed (F) or Movable (M)	Unit Price	Item QT	Subtotal	Tax Rate	Total Tax	Subtotal
Telephone	Wall	M	\$46.00	3	\$138.00	10.00%	\$13.80	\$151.80
Telephone	Wall, Digital, Single Line	M	\$256.00	2	\$512.00	10.00%	\$51.20	\$563.20
Telephone	Wall, Digital, Multi-Line	M	\$376.00	5	\$1,880.00	10.00%	\$188.00	\$2,068.00
Telephone	Desktop, Digital, Multi-Line	M	\$985.00	4	\$3,940.00	10.00%	\$394.00	\$4,334.00
Telephone	Conferencing	M	\$1,259.00	4	\$5,036.00	10.00%	\$503.60	\$5,539.60
Television	36-43 in., Flat Panel	M	\$449.00	1	\$449.00	10.00%	\$44.90	\$493.90
Television	30-32 in, Flat Panel	M	\$521.00	1	\$521.00	10.00%	\$52.10	\$573.10
Television	19-20 inch, Flat Panel	M	\$960.00	1	\$960.00	10.00%	\$96.00	\$1,056.00
Television	46-49 in., Flat Panel	M	\$1,099.00	1	\$1,099.00	10.00%	\$109.90	\$1,208.90
Television	50-65 in, Flat Panel	M	\$2,300.00	2	\$4,600.00	10.00%	\$460.00	\$5,060.00
Thermometer	Temporal Artery, Wall Mount	F	\$1,548.68	37	\$57,301.16	10.00%	\$5,730.12	\$63,031.28
Thermometer	Digital, Wall Mount	F	\$506.00	130	\$65,780.00	10.00%	\$6,578.00	\$72,358.00
Thermometer	Type K Waterproof	M	\$300.00	1	\$300.00	10.00%	\$30.00	\$330.00
Timer	Coagulation	M	\$8,979.00	2	\$17,958.00	10.00%	\$1,795.80	\$19,753.80
Toaster	Commercial	M	\$425.00	1	\$425.00	10.00%	\$42.50	\$467.50
Ultrasound, Imaging	Multipurpose	M	\$200,000.00	1	\$200,000.00	10.00%	\$20,000.00	\$220,000.00
Ventilator	BiPAP	M	\$14,046.00	1	\$14,046.00	10.00%	\$1,404.60	\$15,450.60
Ventilator	BiPAP	M	\$17,742.00	6	\$106,452.00	10.00%	\$10,645.20	\$117,097.20
Warmer	Patient, Hypothermia	M	\$70,000.00	3	\$210,000.00	10.00%	\$21,000.00	\$231,000.00
Washer/Disinfector	Utensil	F	\$10,190.00	1	\$10,190.00	10.00%	\$1,019.00	\$11,209.00
Waste Can	Recycle	M	\$15.00	1	\$15.00	10.00%	\$1.50	\$16.50
Waste Can	Recycle	M	\$25.00	2	\$50.00	10.00%	\$5.00	\$55.00
Waste Can	20-31 Gallon	M	\$67.00	1	\$67.00	10.00%	\$6.70	\$73.70
Waste Can	Open Top	M	\$37.00	4	\$148.00	10.00%	\$14.80	\$162.80
Waste Can	44-55 Gallon	M	\$173.75	1	\$173.75	10.00%	\$17.38	\$191.13
Waste Can	32-40 Gallon	M	\$88.00	2	\$176.00	10.00%	\$17.60	\$193.60
Waste Can	Step-On	M	\$197.00	1	\$197.00	10.00%	\$19.70	\$216.70
Waste Can	20-31 Gallon	M	\$99.50	2	\$199.00	10.00%	\$19.90	\$218.90
Waste Can	Step-On	M	\$274.00	1	\$274.00	10.00%	\$27.40	\$301.40
Waste Can	32-40 Gallon	M	\$59.50	5	\$297.50	10.00%	\$29.75	\$327.25
Waste Can	Roll Out	M	\$306.00	1	\$306.00	10.00%	\$30.60	\$336.60
Waste Can	Bio-Hazardous, Roll-Out	M	\$310.00	1	\$310.00	10.00%	\$31.00	\$341.00
Waste Can	Bio-Hazardous	M	\$142.00	3	\$426.00	10.00%	\$42.60	\$468.60
Waste Can	Open Top	M	\$86.00	5	\$430.00	10.00%	\$43.00	\$473.00
Waste Can	32-40 Gallon	M	\$59.50	8	\$476.00	10.00%	\$47.60	\$523.60
Waste Can	Step-On	M	\$250.00	3	\$750.00	10.00%	\$75.00	\$825.00
Waste Can	Open Top	M	\$86.00	12	\$1,032.00	10.00%	\$103.20	\$1,135.20
Waste Can	20-31 Gallon	M	\$88.50	14	\$1,239.00	10.00%	\$123.90	\$1,362.90
Waste Can	Bio-Hazardous, Roll-Out	M	\$208.00	7	\$1,456.00	10.00%	\$145.60	\$1,601.60

Category	Subcategory	Fixed (F) or Movable (M)	Unit Price	Item QT	Subtotal	Tax Rate	Total Tax	Subtotal
Waste Can	20-31 Gallon	M	\$53.18	28	\$1,489.04	10.00%	\$148.90	\$1,637.94
Waste Can	Step-On	M	\$164.00	13	\$2,132.00	10.00%	\$213.20	\$2,345.20
Waste Can	Open Top	M	\$63.00	123	\$7,749.00	10.00%	\$774.90	\$8,523.90
Waste Can	32-40 Gallon	M	\$135.54	58	\$7,861.32	10.00%	\$786.13	\$8,647.45
Waste Can	Bio-Hazardous	M	\$153.00	62	\$9,486.00	10.00%	\$948.60	\$10,434.60
Waste Can	20-31 Gallon	M	\$88.50	125	\$11,062.50	10.00%	\$1,106.25	\$12,168.75
Waste Can	Open Top	M	\$63.00	191	\$12,033.00	10.00%	\$1,203.30	\$13,236.30
Waste Can	32-40 Gallon	M	\$135.54	108	\$14,638.32	10.00%	\$1,463.83	\$16,102.15
Waste Can	Bio-Hazardous	M	\$153.00	108	\$16,524.00	10.00%	\$1,652.40	\$18,176.40
Waste Disposal	Pharmaceutical, Secure	F	\$1,000.00	15	\$15,000.00	10.00%	\$1,500.00	\$16,500.00
Water Treatment System	Ice Maker, Wall Mount	F	\$395.00	13	\$5,135.00	10.00%	\$513.50	\$5,648.50
Wheelchair	Adult, Large	M	\$403.00	1	\$403.00	10.00%	\$40.30	\$443.30
Wheelchair	Adult, Bariatric	M	\$1,686.00	2	\$3,372.00	10.00%	\$337.20	\$3,709.20
Wheelchair	Adult, Bariatric	M	\$950.00	18	\$17,100.00	10.00%	\$1,710.00	\$18,810.00
X-Ray Unit	Mobile, Digital	M	\$380,000.00	3	\$1,140,000.00	10.00%	\$114,000.00	\$1,254,000.00
X-Ray Unit, C-Arm	Mobile	M	\$167,200.00	4	\$668,800.00	10.00%	\$66,880.00	\$735,680.00
<b>Totals</b>					<b>\$31,269,048.82</b>		<b>\$3,126,904.88</b>	<b>\$ 34,395,953.70</b>
					<b>Equipment Subtotal</b>		<b>Tax</b>	<b>Total</b>

Breakdown of Fixed vs Movable Equipment

	<b>Equipment Subtotal</b>	<b>Tax</b>	<b>Total</b>
Fixed equipment =	\$2,061,509.33	\$206,150.93	\$2,267,660.26
Movable equipment =	\$29,207,539.49	\$2,920,753.95	\$32,128,293.44
<b>Total =</b>	<b>\$31,269,048.82</b>	<b>\$3,126,904.88</b>	<b>\$34,395,953.70</b>

# Exhibit 13

## MultiCare Health System Audited Financial Statements, 2020 to 2021





**MULTICARE HEALTH SYSTEM**  
Consolidated Financial Statements  
December 31, 2021 and 2020  
(With Independent Auditors' Report Thereon)



KPMG LLP  
Suite 2900  
1918 Eighth Avenue  
Seattle, WA 98101

## Independent Auditors' Report

The Board of Directors  
MultiCare Health System:

### *Opinion*

We have audited the consolidated financial statements of MultiCare Health System (the Company)(a Washington nonprofit corporation), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Seattle, Washington  
March 23, 2022

**MULTICARE HEALTH SYSTEM**

Consolidated Balance Sheets

December 31, 2021 and 2020

(In thousands)

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Current assets:		
Cash and cash equivalents	\$ 308,732	946,223
Accounts receivable	460,569	374,372
Supplies inventory	60,056	49,167
Other current assets, net	<u>96,361</u>	<u>85,144</u>
Total current assets	925,718	1,454,906
Donor restricted assets held for long-term purposes	96,775	88,900
Investments	2,610,531	1,970,458
Property, plant, and equipment, net	2,010,134	1,763,666
Right-of-use operating lease asset, net	140,718	137,763
Right-of-use financing lease asset, net	20,458	15,694
Other assets, net	<u>554,625</u>	<u>502,459</u>
Total assets	\$ <u><u>6,358,959</u></u>	\$ <u><u>5,933,846</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 283,004	208,422
Accrued compensation and related liabilities	340,029	299,523
Accrued interest payable	18,059	18,649
Current portion of right-of-use operating lease liability	26,376	28,574
Current portion of right-of-use financing lease liability	4,283	2,836
Current portion of long-term debt	<u>43,609</u>	<u>7,950</u>
Total current liabilities	715,360	565,954
Interest rate swap liabilities	119,100	154,347
Right-of-use operating lease liability, net of current portion	120,273	114,288
Right-of-use financing lease liability, net of current portion	16,933	13,200
Long-term debt, net of current portion	1,572,235	1,618,849
Other liabilities, net	<u>208,307</u>	<u>213,046</u>
Total liabilities	<u>2,752,208</u>	<u>2,679,684</u>
Commitments and contingencies (note 15)		
Net assets:		
Without donor restrictions	3,430,009	3,111,401
With donor restrictions	<u>176,742</u>	<u>142,761</u>
Total net assets	<u>3,606,751</u>	<u>3,254,162</u>
Total liabilities and net assets	\$ <u><u>6,358,959</u></u>	\$ <u><u>5,933,846</u></u>

See accompanying notes to consolidated financial statements.

**MULTICARE HEALTH SYSTEM**

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2021 and 2020

(In thousands)

	<b>2021</b>	<b>2020</b>
Revenues, gains, and other support without donor restrictions:		
Patient service revenue	\$ 3,504,691	3,105,968
Other operating revenue	314,323	256,819
Net assets released from restrictions for operations	5,170	4,655
Total revenues, gains, and other support without donor restrictions	3,824,184	3,367,442
Expenses:		
Salaries and wages	1,870,645	1,616,021
Employee benefits	278,185	248,132
Supplies	600,757	520,378
Purchased services	349,159	298,256
Depreciation and amortization	126,307	168,188
Interest	47,670	45,970
Other	486,005	369,741
Total expenses	3,758,728	3,266,686
Excess of revenues over expenses from operations	65,456	100,756
Other income (loss):		
Investment income	213,993	272,266
Gain (loss) on interest rate swaps, net	25,873	(75,033)
Other loss, net	(13,729)	(13,068)
Total other income, net	226,137	184,165
Excess of revenues over expenses	291,593	284,921
Other changes in net assets without donor restrictions:		
Changes in pension asset	24,810	2,513
Net assets released from restriction – capital acquisitions	1,715	4,327
Other	490	220
Increase in net assets without donor restrictions	318,608	291,981
Changes in net assets with donor restrictions:		
Contributions and other	35,697	21,425
Income on investments	1,816	2,482
Net assets released from restriction – capital acquisitions	(1,715)	(4,327)
Net assets released from restrictions for operations and other	(5,170)	(4,655)
Increase in assets held in trust by others	3,353	4,446
Increase in net assets with donor restrictions	33,981	19,371
Increase in net assets	352,589	311,352
Net assets, beginning of year	3,254,162	2,942,810
Net assets, end of year	\$ 3,606,751	3,254,162

See accompanying notes to consolidated financial statements.

**MULTICARE HEALTH SYSTEM**

Consolidated Statements of Cash Flows

Years ended December 31, 2021 and 2020

(In thousands)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase in net assets	\$ 352,589	311,352
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	126,307	168,188
Amortization of bond premiums, discounts, and issuance costs	(2,433)	(2,494)
Net realized and unrealized gains on investments	(188,615)	(251,078)
Change in fair value of interest rate swap	(35,247)	67,298
Loss (gain) on disposal of assets, net	2,373	(90)
(Gain) loss on joint ventures, net	(513)	4,709
Restricted contributions for long-term purposes	(16,952)	(12,188)
Changes in operating assets and liabilities:		
Accounts receivable	(73,590)	2,128
Supplies inventory and other current assets	(17,586)	(21,176)
Right-of-use lease asset	40,614	35,391
Other assets, net	(38,219)	(104,363)
Accounts payable and accrued expenses and accrued interest payable	67,751	16,547
Accrued compensation and related liabilities	38,053	51,552
Right-of-use lease liability	(30,721)	(33,111)
Other liabilities, net	(8,287)	57,479
Net cash provided by operating activities	<u>215,524</u>	<u>290,144</u>
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(216,973)	(169,168)
Proceeds from disposal of property, plant, and equipment	7,629	997
Purchase of Capital Medical Center and related real estate	(179,662)	—
Investments in joint ventures, net	(10,373)	(26,199)
Purchases of investments	(5,634,748)	(4,397,377)
Sales of investments	5,175,627	4,472,955
Change in donor trusts	5,700	(9,457)
Net cash used in investing activities	<u>(852,800)</u>	<u>(128,249)</u>
Cash flows from financing activities:		
Repayment of long-term debt	(8,522)	(20,796)
Proceeds from bond issuance	—	300,000
Proceeds from debt issuance	—	61,794
Payment of debt issue expenses	—	(2,346)
Principal payments on finance lease obligations	(8,645)	(1,366)
Restricted contributions for long-term purposes	16,952	12,188
Net cash (used in) provided by financing activities	<u>(215)</u>	<u>349,474</u>
Net change in cash and cash equivalents	<u>(637,491)</u>	<u>511,369</u>
Cash and cash equivalents, beginning of year	<u>946,223</u>	<u>434,854</u>
Cash and cash equivalents, end of year	\$ <u>308,732</u>	\$ <u>946,223</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest, net of amount capitalized	\$ 48,260	42,967
Noncash activities:		
Increase in deferred compensation plans	13,471	13,726
Increase in accounts payable for purchases of property, plant, and equipment	1,266	349

See accompanying notes to consolidated financial statements.

## MULTICARE HEALTH SYSTEM

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(Dollars in thousands)

### (1) Nature of Organization and Summary of Significant Accounting Policies

#### (a) Organization Description

MultiCare Health System (MHS), a Washington nonprofit corporation, is an integrated healthcare delivery system providing inpatient, outpatient, and other healthcare services primarily to the residents of Pierce, King, Spokane and Thurston Counties and, with respect to pediatric care, much of the southwest Washington region. As of December 31, 2021, MHS was licensed to operate 2,099 inpatient hospital beds, including 120 beds associated with a joint venture psychiatric hospital in Tacoma, Washington. MHS operates nine acute care facilities (Tacoma General Hospital, Good Samaritan Hospital, Allenmore Hospital, Mary Bridge Children's Hospital, Auburn Medical Center, Covington Hospital, Deaconess Hospital, Valley Hospital and Capital Medical Center) and one behavioral health hospital (Navos). MHS also operates eight outpatient surgical sites, five free-standing emergency departments, home health, hospice, and multiple urgent care, primary care and multispecialty clinics located throughout the MHS service areas.

The consolidated financial statements include the operations of these facilities and services as well as those of three wholly owned subsidiaries (Greater Lakes Mental Healthcare, Medis, Inc. and MultiCare Rehabilitation Specialists, P.C.), a wholly owned professional services organization supporting cardiovascular services at MHS (CHVI Professional Corp), a wholly owned accountable care organization (MultiCare Connected Care), and two fundraising foundations (Mary Bridge Children's Foundation and MultiCare Foundations, which is doing business as MultiCare Health Foundation, Good Samaritan Foundation, MultiCare South King Health Foundation, MultiCare Behavioral Health Foundation and MultiCare Inland Northwest Foundation).

On April 1, 2021, MHS completed the purchase of Capital Medical Center in Olympia, Washington from an affiliate of LifePoint Health and physician owners to acquire a 100% ownership interest. Capital Medical Center is licensed to operate 107 inpatient hospital beds as well as operates multiple primary care and multispecialty clinics within Thurston County. The acquisition of Capital Medical Center was valued at \$44,662. Assets and liabilities purchased included land, buildings, equipment, accounts receivable, intangibles and other assets offset by accounts payable, accrued compensation, other current liabilities and other liabilities and were recorded at their estimated fair values as determined based on standard asset appraisal techniques. MHS hired substantially all of the employees previously employed by Capital Medical Center. The following table summarizes the estimated fair values of

## MULTICARE HEALTH SYSTEM

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(Dollars in thousands)

assets acquired and liabilities assumed as of the acquisition date along with the cash consideration paid.

Recognized amounts of identifiable assets acquired and liabilities assumed:

Patient accounts receivable	\$	13,500
Other current assets		3,628
Land, buildings and equipment		30,551
Intangibles and other assets		8,915
Accounts payable, accrued compensation and other current liabilities		(8,695)
Other liabilities		<u>(3,295)</u>
Total identifiable net assets assumed		44,604

Recognized amount of goodwill assumed:

Goodwill		<u>58</u>
Total	\$	<u><u>44,662</u></u>

Total cash consideration transferred \$ 39,173

On December 20, 2021, MHS completed a separate purchase of land and buildings associated with the Capital Medical Center hospital campus and several surrounding clinic offices from an affiliate of Medical Properties Trust (MPT). The acquisition was valued at \$135,000 of land, buildings and other related assets acquired.

Recognized amounts of identifiable assets acquired:

Land	\$	20,053
Buildings		114,069
Leasehold improvements		163
Intangible assets		<u>715</u>
Total		135,000

Transaction expenses 3,148

Total cash consideration transferred \$ 138,148

#### **(b) Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of MHS after elimination of all significant intercompany accounts and transactions.

#### **(c) Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the



## MULTICARE HEALTH SYSTEM

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(Dollars in thousands)

reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

#### **(d) Cash and Cash Equivalents**

Cash and cash equivalents include certain investments in highly liquid instruments with maturities of three months or less at the date of purchase. Cash equivalents and investments that are held by outside investment managers or restricted per contractual or regulatory requirements are classified as investments on the consolidated balance sheets.

#### **(e) Accounts Receivable**

Accounts receivable are primarily comprised of amounts due for healthcare services from patients and third-party payors and are recorded net of amounts for contractual adjustments and implicit price concessions.

#### **(f) Supplies Inventory**

Supplies inventory consists of pharmaceutical, medical-surgical, and other supplies generally used in the operations of MHS. Supplies inventory is stated at lower of cost or net realizable value using the average cost method, except for pharmacy, which uses the first-in, first-out (FIFO) method. Obsolete and unusable items are expensed at the time such determination is made.

#### **(g) Donor Restricted Assets**

The majority of the donor restricted assets are invested in MHS' investments and are stated at fair value or estimated fair value. Donor restricted assets that are held separately from MHS' investments include perpetual trusts and charitable remainder unitrusts, where MHS is the beneficiary but not the trustee, that are invested in mutual funds, fixed income securities, and equity securities. Those with readily determinable fair values are stated at fair value. Those investments for which quoted market prices are not readily determinable are carried at values provided by the respective investment managers or trustees, which management believes approximates fair value.

Charitable gift annuities, which are included in donor restricted assets, totaled \$2,308 and \$2,471 at December 31, 2021 and 2020, respectively. MHS has recorded a corresponding payable of \$775 and \$1,119 at December 31, 2021 and 2020, respectively, to pay for estimated future obligations to beneficiaries. The current portion of these obligations is included in accounts payable and accrued expenses and the long-term portions are included in other liabilities, net in the accompanying consolidated balance sheets. According to Washington State law, MHS, as a distinct legal entity holding charitable gift annuities, is required to maintain unrestricted net assets of at least \$500, which MHS has done for each of the periods presented.

#### **(h) Investments**

MHS accounts for its investment portfolio as a trading portfolio, therefore, investments in fixed income securities, equity securities, and commingled trusts with a readily determinable fair value are recorded at fair value, which are determined based on quoted market prices or prices with observable inputs

## MULTICARE HEALTH SYSTEM

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(Dollars in thousands)

obtained from national securities exchanges or similar sources. Other investments, including limited partnerships, commingled real estate trust funds, limited liability partnerships, and hedge funds are carried at net asset value (NAV) provided by the respective investment managers, which management believes approximates fair value. Valuations provided by investment managers consider variables such as valuation and financial performance of underlying investments, quoted market prices for similar securities, recent sale prices of underlying investments, and other pertinent information. Management reviews the valuations provided by investment managers and believes that the carrying values of these financial instruments are reasonable estimates of fair value.

Realized gains and losses are recorded using the average cost method. Investment income or loss (including realized gains and losses on investments, change in unrealized gains or losses, interest, and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law.

#### (i) **Property, Plant, and Equipment**

Property, plant, and equipment are recorded at cost. Depreciation expense is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings	5–80 years
Land improvements	8–20 years
Equipment	3–30 years

In 2021, MHS re-evaluated the useful lives of property, plant, and equipment used to compute depreciation expense, resulting in a prospective change in estimated useful lives of certain buildings and equipment. The method of determining the new estimated useful lives is based on historical data of similar assets at MHS and similarly sized entities. MHS believes this change aligns the useful life with the actual usage of the asset and is a better depiction of the net book value of the assets held and in-use. This change is recognized prospectively as a change in accounting estimate. MHS recorded reductions in depreciation expense of property, plant and equipment of \$48,094 for the year ended December 31, 2021.

The Company capitalizes all software implementation costs that meet the criteria for capitalization, including those that relate to a service contract (e.g. hosting arrangement). The capitalized software implementation costs are reflected within property, plant and equipment in the consolidated balance sheets. These costs are amortized together with the costs of the related software license; however, the implementation costs related to a service arrangement are amortized over the term of the arrangement. The amortization period for all capitalized implementation costs is generally 10 years.

Maintenance and repairs are charged to operations as they occur. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Gains upon sale or retirement of property, plant, and equipment are included in other operating revenue whereas losses are included in other expenses. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of constructing those assets.

## MULTICARE HEALTH SYSTEM

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(Dollars in thousands)

MHS assesses potential impairments to its long-lived assets as well as its intangible assets, as described below, when there is evidence that events or changes in circumstances indicate that an impairment has been incurred. These changes can include a deterioration in operating performance, a reduction in reimbursement rates from government or third-party payors or a change in business strategy. An impairment charge is recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset. In 2021 and 2020, there were no impairment charges.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

#### **(j) Leases**

Management reviews contracts in order to identify leases and properly classify leases as either operating or financing. MHS is a lessee of various equipment and facilities under noncancelable operating and financing leases. Operating and financing right-of-use (ROU) liabilities are recognized based on the net present value of lease payments over the lease term at the commencement date of the lease and are reduced by payments made on each lease on the straight-line basis. Since most of the leases do not provide an implicit rate of return, MHS uses its incremental borrowing rate based on information available at the commencement date of the lease in determining the present value of lease payments. Generally, MHS cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, MHS generally uses its incremental borrowing rate as the discount rate for the lease. MHS' incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments using similar terms. Leases with an initial term of 12 months or less are not recorded on the balance sheet; rather, rent expense for these leases is recognized on a straight-line basis over the lease term, or when incurred if a month-to-month lease.

If a lease contains a renewal option at the commencement date and it is considered reasonably certain that the renewal option will be exercised by management to renew the lease, the renewal option payments are included in MHS' net minimum lease payments used to determine the right-of-use lease liabilities and related lease assets. All other renewal options are included in right-of-use lease liabilities and related lease assets when they are reasonably certain to be exercised.

All lease agreements generally require MHS to pay maintenance, repairs, property taxes and insurance costs, which are variable amounts based on actual costs incurred during each applicable period. Such costs are not included in the determination of the ROU lease liability or ROU lease asset. Variable lease cost also includes escalating rent payments that are not fixed at commencement but are based on an index that is determined in future periods over the lease term based on changes in the Consumer Price Index or other measure of cost inflation.

## MULTICARE HEALTH SYSTEM

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(Dollars in thousands)

Variable lease payments associated with MHS' leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented in other expenses in the consolidated statement of operations and changes in net assets.

MHS has elected the practical expedient to not separate lease components from nonlease components related to its real estate leases.

#### **(k) Goodwill and Intangible Assets**

Goodwill is an asset representing the future economic benefits arising from the difference in the fair value of the business acquired and the fair value of the identifiable and intangible net assets acquired in a business combination. Indefinite-lived intangible assets are assets that are not amortized because there is no foreseeable limit to cash flows generated from them. Goodwill and intangible assets is included in other assets, net in the accompanying consolidated balance sheets. At December 31, 2021 and 2020, MHS has goodwill of \$152,927 and \$152,869, respectively, which includes \$58 of goodwill recognized as part of the acquisition of Capital Medical Center. At December 31, 2021 and 2020, MHS has intangible assets, net of accumulated amortization, of \$19,136 and \$14,214, respectively, which includes \$8,466 of intangible assets recognized as part of the acquisition of Capital Medical Center. Goodwill and intangible assets are included in other assets, net in the accompanying consolidated balance sheets.

If it is more likely than not that goodwill is impaired, MHS records the amount that the carrying value exceeds the fair value as an impairment charge. Goodwill is not amortized and along with indefinite-lived intangible assets is evaluated at least annually for impairment. There were no impairment charges recognized during the years ended December 31, 2021 or 2020.

Amortizing intangible assets are comprised of certificates of need, license agreements, trade names and lease arrangements, which all have finite useful lives. Amortization expense is recorded on a straight-line basis over the estimated useful life of the assets, which ranges from three to thirty years, associated with the nature of the intangible asset. Amortization expense was \$3,544 and \$1,621 for the years ended December 31, 2021 and 2020, respectively.

#### **(l) Investment in Joint Ventures**

MHS maintains ownership in certain joint ventures related to imaging, office buildings, behavioral health and other healthcare focused activities and accounts for these joint ventures under the equity method of accounting. As of December 31, 2021 and 2020, MHS held ownership interests in 21 and 15 joint ventures, respectively. Investment in joint ventures is included in other assets, net in the accompanying consolidated balance sheets. Gain on joint ventures for the year ended December 31, 2021 was \$513 associated with several joint ventures performance. Loss on joint ventures for the year ended December 31, 2020 was \$4,709. Gains and losses are included in other operating revenue on the consolidated statements of operations and changes in net assets.

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### **(m) Estimated Third-Party Payor Settlements**

Medicare cost reports are filed annually by MHS with the Medicare intermediary and are subject to audit and adjustment prior to settlement. Estimates of net settlements due to Medicare were \$4,634 and \$3,456 as of December 31, 2021 and 2020, respectively, and have been recorded within accounts payable and accrued expenses in the accompanying consolidated balance sheets. Third-party settlements are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, based upon the amount of the final settlements. Patient service revenue decreased by \$1,178 in 2021 and increased by \$106 in 2020 to reflect changes in the estimated Medicare settlements for prior years.

### **(n) Interest Rate Swaps**

MHS maintains several interest rate swap agreements as a means of hedging its exposure to variable-based interest rates and fluctuations in cash flows as part of its overall interest rate risk management strategy. All MHS interest rate swaps are recorded at fair value. The accounting for changes in the fair value of these swaps depends on whether those had been designated as cash flow hedges. As of December 31, 2021 and 2020, none of MHS' interest rate swaps were designated as cash flow hedges and therefore, the changes in fair value are recognized and included in other income (loss) on the consolidated statements of operations and changes in net assets. These swaps have notional amounts totaling approximately \$709,000 and expire starting in August 2027 through August 2049. The majority of the swaps have the economic effect of fixing the LIBOR-based variable interest rate on an equivalent amount of MHS' outstanding floating rate principal debt.

Under master netting provisions of the International Swap Dealers Association (ISDA) agreement with each of the counterparties, MHS is permitted to settle with the counterparties on a net basis. Due to the right of offset under these master netting provisions, MHS offsets the fair value of certain interest rate swap assets with swap liabilities on the consolidated balance sheets.

### **(o) Net Assets with Donor Restrictions**

Gifts are reported as support with donor restrictions if they are received with donor stipulations that restrict the use of the donated assets to a specific time or purpose or have been restricted by donors and are maintained by MHS in perpetuity. When restricted funds to be used for operations are expended for their restricted purposes or by the occurrence of the passage of time, these amounts are released from restrictions for operations and are classified as revenues, gains, and other support without donor restrictions. When restricted funds are expended for the acquisition of property, plant, and equipment, these amounts are recognized in net assets without donor restrictions as net assets released from restriction – capital acquisitions.

MHS applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, related to using the present value technique to measure fair value of pledges receivable. In accordance with ASC Topic 820, MHS has applied the expected present value technique to pledges received after January 1, 2009 that adjusts for a risk premium to take into account the risks inherent in those expected cash flows. Pledges of financial support are recorded as pledges receivable when unconditional pledges are made and are stated at net realizable value. Pledges are reported net of an allowance for uncollectible pledges and pledges to

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be collected in future years are reflected at a discounted value using a weighted average discount rate. As of December 31, 2021 and 2020, MHS has recorded \$20,305 and \$14,160, respectively, of net pledge receivables, which are included in donor-restricted assets in the accompanying consolidated balance sheets. As of December 31, 2021, \$5,652 of pledges are due in one year or less and \$14,653 in two to seven years.

#### **(p) Patient Service Revenue**

Patient service revenue is reported at the amount that reflects the consideration to which MHS expects to receive in exchange for providing patient services. These amounts are due from patients, third-party payors, and others and include the variable consideration for retroactive adjustments to revenue due to final settlement of audits, reviews, and investigations. MHS bills the patient and third-party payors several days after the services are performed or when the patient is discharged from the facility, whichever is later.

#### **(q) Hospital Safety Net Assessment**

The State of Washington (the State) has a safety net assessment program involving Washington State hospitals to increase funding from other sources and obtain additional federal funds to support increased payments to providers for Medicaid services. In connection with this program, MHS recorded increases in patient service revenue of \$89,738 and \$83,884 for 2021 and 2020, respectively, and incurred assessments of \$64,570 and \$61,112 for 2021 and 2020, respectively, which were recorded in other operating expenses in the accompanying consolidated statements of operations and changes in net assets. MHS has outstanding receivables of \$16,737 and \$14,649 associated with this program as of December 31, 2021 and 2020, respectively, which are included with accounts receivable on the consolidated balance sheets.

#### **(r) Uncompensated and Undercompensated Care**

MHS provides a variety of uncompensated and undercompensated healthcare services to the communities it serves within the purview of its mission. Because MHS does not pursue collection of amounts determined to qualify as uncompensated care, MHS has determined that it has provided implicit price concessions to uninsured patients and patients with other uninsured balances. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amount MHS expects to receive based on its historical collections from these patients. Patients who meet the criteria of MHS' uncompensated care policy are eligible to receive these services without charge or at an amount less than MHS' established rates. Such amounts determined to qualify as charity care are not reported as revenue. The State provides guidelines for charity care provided by hospitals in the state. Hospitals are recommended to provide full charity care to patients who meet 100% of the federal poverty guidelines and a lesser amount to patients who meet up to 200% of the federal poverty guidelines. MHS provides full charity care to patients who meet 300% of the federal poverty guidelines and also provides uncompensated care on a sliding scale for patients whose income is between 301% and 500% of the federal poverty guidelines for true self-pay patients and patients with deductibles and coinsurance amounts. The estimated cost of charity care provided was approximately \$48,000 and \$51,000 in 2021 and 2020, respectively. The estimated cost of uncompensated and undercompensated services provided to patients covered under Medicaid in excess of payments received was approximately \$300,406 and \$218,443 in 2021 and

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2020, respectively. These cost estimates are calculated based on the overall ratio of costs to charges for MHS.

#### **(s) Other Operating Revenue**

Other operating revenue includes revenue from cafeteria sales, retail pharmacy, laboratory revenue from community providers, medical office rental income, contributions without donor restrictions, grant revenue, contracted behavioral healthcare revenue and other miscellaneous revenue.

#### **(t) Excess of Revenues over Expenses**

The consolidated statements of operations and changes in net assets include excess of revenues over expenses. Changes in net assets without donor restrictions, which are excluded from the excess of revenues over expenses, primarily include changes in accrued pension asset, net assets released from restrictions for capital expenditures, and capital assets received.

#### **(u) Federal Income Taxes**

ASC Subtopic 740-10, *Income Taxes*, clarifies the accounting for uncertainty in income taxes recognized in MHS' consolidated financial statements. This topic also prescribes a recognition threshold and measurement standard for the financial statement recognition and measurement of an income tax position taken or expected to be taken in a tax return. Only tax positions that meet the "more-likely than-not" recognition threshold at the effective date may be recognized or continue to be recognized upon adoption. In addition, this topic provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Other than Medis, Inc., which is a taxable corporation, and Columbia Capital Medical Center, LP (operating as Capital Medical Center), which is a taxable partnership, all of the other entities have obtained determination letters from the Internal Revenue Service that they are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in 501(c)(3) of the Internal Revenue Code, except for tax on unrelated business income.

#### **(v) Self-Insurance Reserves**

MHS is self-insured with respect to professional and general liability, workers compensation and medical and other health benefits with excess insurance coverage over self-insured retention limits. MHS records insurance liabilities for these specific items by using third party actuarial calculations and certain assumptions and inputs such as MHS historical claims experience and the estimated amount of future claims that will be incurred.

#### **(w) New and Pending Accounting Standards**

In June 2016, FASB issued Accounting Standards Update (ASU) 2016-13 and in November 2019, issued ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The amendments in this update require that financial assets are measured at amortized cost basis and presented at the net amount expected to be collected. This eliminates the probable initial recognition threshold in current GAAP and, instead, reflects an entity's current estimate of all expected credit losses and broadens the information that an entity must consider in developing its expected credit loss estimate for assets measured either collectively or individually.

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The provisions of this ASU are effective for MHS for the year beginning on January 1, 2023. MHS does not expect the adoption of this ASU to have a material effect on its consolidated financial statements.

In August 2018, FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The amendments in this update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The guidance in Subtopic 350-40 is used to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense and is also used to determine the amortization period of the capitalized costs. The provisions of this ASU are effective for MHS for the year beginning on January 1, 2021. MHS has applied the provisions of this ASU prospectively as is allowed and this ASU does not have a material effect on its consolidated financial statements.

In April 2019, FASB issued ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. The amendments in this update are divided into four separate topics that discuss the details of the improvement areas and the amendments made to the Codification for these improvement areas. Topics 1, 2 and 5 in this ASU relate specifically to ASU 2016-13, which is effective for MHS for the year beginning January 1, 2023. Topics 3 and 4 in this ASU have been evaluated and are not applicable to MHS. MHS does not expect the adoption of this ASU to have a material effect on its consolidated financial statements.

In March 2020, FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the effects of Reference Rate Reform on Financial Reporting*. The amendments in this update provide practical expedients to contract modifications when it is being modified due to the replacement of a reference rate within the contract. The provisions of this ASU are effective immediately and will be available through December 31, 2022. Modifications completed after December 31, 2022 must use current guidance instead of the provisions in this ASU. MHS will make contract modifications in 2022 but does not expect the adoption of this ASU to have a material effect on its consolidated financial statements.

#### **(2) Coronavirus (COVID-19) Impact**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law and on March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. Both the CARES Act and ARPA were aimed to direct economic assistance for American workers, families, and small businesses, and preserve jobs for American industries. The COVID-19 pandemic impacted all hospitals and physician offices throughout the health system.

The CARES Act and ARPA require the amount of funding received to be validated, which requires management to quantify lost revenues and increased expenses associated with the pandemic. The CARES Act authorized funding to be distributed under the Provider Relief Fund (PRF) and the Coronavirus Relief Fund (CRF). MHS has recognized revenue associated with the PRF, CRF and ARPA funding according to the terms and conditions of the CARES Act and ARPA, and as contribution revenue under



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FASB ASC 958-605. Refunding of amounts received may be required by the CARES Act if a receiving entity is unable to quantify the financial losses intended to be covered by funding. MHS has determined that it is able to justify retaining all funding received in 2021 and 2020 and has not recorded any liabilities as of December 31, 2021 and 2020 for potential repayment of funds received.

MHS has filed applications and obtained reimbursement of additional expenses from the Federal Emergency Management Agency (FEMA) based on criteria due to the national emergency declaration made due to COVID-19. MHS submitted an expedited funding application with FEMA that covers the period from the start of the national disaster declaration to June 30, 2020. The expedited application allowed MHS to recover up to 50% of the total funding applied for on the application. MHS continues to complete the final reconciliation of the expedited funding application to receive the remainder of the funding and will apply for additional funding pertaining to later periods until the national disaster declaration is no longer in effect.

In March 2020, MHS chose to support employees by protecting pay and benefits for those that were unable to work due to the cancellations/postponements of procedures. Approximately 50% of this cost has been recovered through the employee retention credits offered to employers as part of the CARES Act, which totaled \$2,409. The CARES Act also allowed MHS to defer payment of the employer portion of the FICA taxes due to the federal government through December 31, 2020. Payment of these deferred taxes did occur with 50% paid by the end of 2021 and the other 50% by the end of 2022. The total amount of FICA taxes deferred in 2020 was \$71,866 with \$35,933 due in 2021 and \$35,933 due in 2022. MHS paid the FICA taxes due in 2021 with the remaining amount due in 2022 recorded within accrued compensation and related liabilities on the consolidated balance sheets. MHS considered whether to utilize the Medicare Advanced Payment Program (MAPP) when it was available to obtain additional cash flow but chose not to engage in this program.

The following table shows the funding that has been received to prepare and respond to COVID-19 and recognized as other operating revenue for the years ended December 31, 2021 and 2020:

<b>Sources of external relief funding</b>	<b>2021</b>	<b>2020</b>	<b>Total</b>
CARES Act Provider Relief Fund	\$ 176,448	118,965	295,413
American Rescue Plan Rural Funds	5,284	—	5,284
FEMA	1,405	4,214	5,619
CARES Act Coronavirus Relief Fund	—	2,922	2,922
Insurance Funds for Business Interruption	—	1,003	1,003
Total	<u>\$ 183,137</u>	<u>127,104</u>	<u>310,241</u>

The impact of COVID-19 has increased the uncertainty associated with management's assumptions and estimates made on these financial statements. The actual impact of COVID-19 on MHS's consolidated financial statements may differ significantly from the assumptions and estimates made for the years ended December 31, 2021 and 2020.

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### (3) Revenue from Contracts with Customers

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by MHS and are recognized either over time or at a point in time. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred through a point in time in relation to total actual charges incurred. MHS believes that this method provides a useful depiction of the provision of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the hospitals or clinics receiving inpatient or outpatient services. MHS measures an inpatient performance obligation from time of admission to time of discharge and an outpatient performance obligation from the start of the outpatient service to the completion of the outpatient service. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided to patients and customers.

MHS has elected to apply the optional exemption in ASC 606-10-50-14a as all of MHS' performance obligations related to contracts with a duration of less than one year. Under this exemption, MHS was not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Any unsatisfied or partially unsatisfied performance obligations are completed within days or weeks of the end of the year.

MHS determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with MHS policy, and implicit price concessions provided to uninsured patients. MHS determines its estimates of contractual adjustments and discounts based on contractual agreements, discount policies and historical experience. MHS determines its estimate of implicit price concessions based on its historical collection experience with each class of patients.

Contractual agreements with third-party payors provide for payments at amounts less than MHS' established charges. A summary of the payment arrangements with major third-party payors is as follows:

- Medicare – Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge, which provides for reimbursement based on Medicare Severity Diagnosis-Related Groups (MS-DRGs). These rates vary according to a patient classification system that is based on clinical diagnosis, acuity, and expected use of hospital resources. The majority of Medicare outpatient services is reimbursed under a prospective payment methodology, the Ambulatory Payment Classification System (APCs), or fee schedules.
- Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospective payment system similar to Medicare; however, Medicaid utilizes All Payor Refined Diagnosis-Related Groups (APR-DRGs) as opposed to Medicare's MS-DRGs. The majority of Medicaid outpatient services is reimbursed under a prospective payment methodology, the Enhanced Ambulatory Patient Groups (EAPG), or fee schedules.
- Other – MHS has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to MHS under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates and fee schedules.

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Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements with the government. Compliance with such laws and regulations may also be subject to future government exclusion from the related programs. There can be no assurance that regulatory or governmental authorities will not challenge MHS' compliance with these laws and regulations, and it is not possible to determine the impact, if any, that such claims or penalties would have upon MHS. In addition, the contracts with commercial payors also provide for retroactive audit and review of claims that can reduce the amount of revenue ultimately received.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the current estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled and no longer subject to such audits, reviews and investigations. Adjustments arising from a change in the transaction price were not significant in 2021 or 2020.

Generally, patients who are covered by third-party payors are responsible for related deductibles and co-insurance, which vary in amount. MHS also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. MHS estimates the transaction price for patients with deductibles and co-insurance from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charges by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Additional revenue due to changes in estimates of implicit price concessions, discounts, and contractual adjustments for prior years were not significant for 2021 or 2020. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay and deemed uncollectable are recorded as bad debt expense.

Consistent with MHS' mission, care is provided to patients regardless of their ability to pay. MHS has determined that it has provided implicit price concessions to uninsured patients and patients with other uninsured balances. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amount MHS expects to receive based on its collection experience with those patients. Patients who meet the criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as uncompensated care are not reported as revenue.

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MHS has determined that the best depiction of its revenue is by its mix of payors as this shows the amount of revenue recognized from each portfolio. Patient service revenue disaggregated by payor for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Payors:		
Medicare	\$ 947,979	847,084
Medicaid	554,039	497,785
Premera	501,370	445,238
Regence	334,844	306,588
Aetna	202,379	190,029
Kaiser Permanente	128,538	142,854
First Choice	119,596	112,142
Self-pay	25,450	16,246
Other	690,496	548,002
	<u>\$ 3,504,691</u>	<u>3,105,968</u>

MHS has elected to apply the practical expedient under ASC 340-40-25-4 and therefore, all incremental customer contract acquisition costs are expensed as incurred, as the amortization period of the asset that MHS would have otherwise recognized is one year or less in duration.

**(4) Concentration of Credit Risk**

MHS grants credit without collateral to its patients, most of whom are residents of the communities it serves and are insured under third-party payor agreements. The mix of gross receivables from patients and third-party payors at December 31, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Medicare	33 %	32 %
Medicaid	21	24
Premera	10	10
Self-pay	7	9
Regence	7	5
First Choice	1	1
Health Care Exchange	1	1
Other commercial insurance	20	18
	<u>100 %</u>	<u>100 %</u>

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### (5) Fair Value Measurements

#### (a) Fair Value Hierarchy

In accordance with ASC Topic 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for similar assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical or similar assets or liabilities that MHS could access at the measurement date. Level 1 securities generally include investments in equity securities, mutual funds and certain fixed income securities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are based upon observable market inputs for the asset or liability, either directly or indirectly. Level 2 securities generally include investments in fixed income securities (composed primarily of government, agency and corporate bonds), and interest rate swaps.
- Level 3 inputs are unobservable market inputs for the asset or liability. Level 3 securities include donor trusts where MHS is not the trustee.

The level in the fair value hierarchy within which a fair value measurement, in its entirety, falls is based on the lowest level input that is significant to the fair value measurement.

ASC Subtopic 820-10 allows for the use of a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by MHS is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. Valuations provided by investment managers consider variables such as the financial performance of underlying investments, recent sales prices of underlying investments and other pertinent information. In addition, actual market exchanges at year-end provide additional observable market inputs of the redemption price. MHS reviews valuations and assumptions provided by investment managers for reasonableness and believes that the carrying amounts of these financial instruments approximate the estimated of fair value of the instrument. Where investments are not presented at fair value, NAV is used as a practical expedient to approximate fair value.

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The following tables present the placement in the fair value hierarchy of investment assets and liabilities that are measured at fair value on a recurring basis and investments valued at NAV at December 31, 2021 and 2020:

	<u>Fair value measurements at reporting date using</u>			
	<u>December 31, 2021</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Assets:				
Trading securities:				
Mutual funds	\$ 825,254	825,254	—	—
Equity securities	304,915	304,915	—	—
Fixed income bond funds	403,280	403,280	—	—
Fixed income governmental obligations	210,812	141,941	68,871	—
Fixed income other	376,108	—	376,108	—
Commingled trust fund – international equity	172,069	—	172,069	—
Donor trusts	22,455	—	—	22,455
Total assets at fair value	2,314,893	\$ 1,675,390	617,048	22,455
Investment assets valued at NAV	343,651			
Total assets at fair value or NAV	\$ 2,658,544			
Liabilities:				
Interest rate swaps	\$ 119,100	—	119,100	—

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	<u>Fair value measurements at reporting date using</u>			
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
	<u>December 31, 2020</u>			
Assets:				
Trading securities:				
Mutual funds	\$ 592,499	592,499	—	—
Equity securities	243,866	243,866	—	—
Fixed income bond funds	364,126	364,126	—	—
Fixed income governmental obligations	67,186	21,137	46,049	—
Fixed income other	95,268	—	95,268	—
Commingled trust fund – international equity	169,362	—	169,362	—
Donor trusts	30,807	—	—	30,807
	<u>1,563,114</u>	<u>\$ 1,221,628</u>	<u>310,679</u>	<u>30,807</u>
Total assets at fair value				
Investment assets valued at NAV	<u>456,274</u>			
Total assets at fair value or NAV	<u>\$ 2,019,388</u>			
Liabilities:				
Interest rate swaps	\$ 154,347	—	154,347	—

The following table presents information for investments where the NAV was used as a practical expedient to measure fair value at December 31, 2021 and 2020:

	<u>NAV December 31, 2021</u>	<u>NAV December 31, 2020</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Hedge funds	\$ 132,637	239,797	N/A	Quarterly	60 or 95 business days prior to valuation date
Common trust funds	199,212	205,844	N/A	Daily	1 or more business days prior to valuation date
Limited partnerships	<u>11,802</u>	<u>10,633</u>	<u>1,800</u>	N/A	N/A
Total investments valued at NAV	<u>\$ 343,651</u>	<u>456,274</u>	<u>1,800</u>		

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Hedge funds include investments in hedge fund-of-funds products with certain investment managers. The fair values of the investments in this category have been estimated using the NAV per share of the investment.

Common trust funds include investments in a collective or common trust account that invests funds in an underlying fund or set of funds. The trust account seeks an investment return that approximates the performance of an index as defined by each common trust fund. The fair value of the investments in this category are estimated using the NAV per share of the fund that is derived from the underlying investments in the trust fund.

Limited partnerships include investments in private equity and venture capital funds in both developed and emerging markets with approximately 35% invested in private equity in developed markets, 20% in venture capital in developed markets, and 45% in private equity and venture capital in emerging markets. The fair values of the investments in this category have been estimated using the NAV of MHS' ownership interest in partners' capital. These assets can never be redeemed with the partnerships. Instead, the nature of the investment in this category is that distributions are received through the liquidation of the underlying assets of the partnership.

#### **(b) Interest Rate Swaps**

The interest rate swaps are recorded at estimated fair value by using certain observable market inputs that participants would use from closing prices for similar assets. In addition, other valuation techniques and market inputs are used that help determine the fair values of these swaps, which include certain valuation models, current interest rates, forward yield curves, implied volatility and credit default swap pricing.

The fair value of the interest rate swaps liability is included in interest rate swap liabilities on the consolidated balance sheets, and the fair value of the interest rate swap asset is included in other assets, net on the consolidated balance sheets. The fair value gains and losses of these interest rate swaps for the years ended December 31, 2021 and 2020 were \$35,246 and (\$67,298), respectively, and are included in gain (loss) on interest rate swaps in other (loss) income, net in the consolidated statements of operations and changes in net assets. Also included in the gain (loss) on interest rate swaps is the loss on net cash settlement amounts associated with the swaps of \$9,373 and \$7,735 for the years ended December 31, 2021 and 2020, respectively.



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The following table represents both the fair value and settlement value for the interest rate swap liabilities as of December 31, 2021 and 2020:

		<b>Liability derivatives</b>			
		<b>2021</b>		<b>2020</b>	
	<b>Balance sheet location</b>	<b>Fair value</b>	<b>Settlement value</b>	<b>Balance sheet location</b>	<b>Settlement value</b>
Derivative instruments:					
Interest rate swaps	Interest rates swap liabilities	\$ 119,100	124,921	Interest rates swap liabilities	\$ 154,347 159,666

**(6) Donor Restricted Assets and Investments**

A summary of donor restricted assets and investments at 2021 and 2020 is as follows:

		<b>December 31, 2021</b>		
		<b>Donor restricted assets</b>	<b>Investments</b>	<b>Total</b>
Mutual funds	\$	8,002	817,252	825,254
Equity securities		2,956	301,959	304,915
Fixed income securities		9,600	980,600	990,200
Commingled trust fund – international equity		1,668	170,401	172,069
Hedge funds		1,286	131,351	132,637
Common trust funds		1,931	197,281	199,212
Limited partnerships		115	11,687	11,802
Donor trusts		22,455	—	22,455
Pledge receivables, net and other		48,762	—	48,762
<b>Total</b>	<b>\$</b>	<b>96,775</b>	<b>2,610,531</b>	<b>2,707,306</b>

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	<b>December 31, 2020</b>		
	<b>Donor restricted assets</b>	<b>Investments</b>	<b>Total</b>
Mutual funds	\$ 5,400	587,099	592,499
Equity securities	2,222	241,644	243,866
Fixed income securities	4,799	521,781	526,580
Commingled trust fund – international equity	1,543	167,819	169,362
Hedge funds	2,185	237,612	239,797
Common trust funds	1,876	203,968	205,844
Limited partnerships	98	10,535	10,633
Donor trusts	30,807	—	30,807
Pledge receivables, net and other	39,970	—	39,970
Total	<u>\$ 88,900</u>	<u>1,970,458</u>	<u>2,059,358</u>

Fixed income securities include mutual funds, corporate bonds, mortgage-backed securities, asset-backed securities, U.S. government obligations, and state government obligations.

**(7) Liquidity and Availability of Financial Assets**

MHS actively monitors the availability of resources required to meet its operating obligations and other contractual commitments, while also striving to maximize investment returns of its available funds. To help meet its general obligations, MHS can also access the credit markets as a means of producing liquidity, if needed. MHS draws income, appreciation and distributions from its endowment fund up to 5% of the endowment average account value annually, as applicable donor restrictions are met, as another way of providing liquidity. For purposes of analyzing resources available to meet general expenditures over a twelve-month period, MHS considers all expenditures related to its ongoing activities to provide integrated healthcare delivery as well as the conduct of services undertaken to support these activities to be general expenditures.

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At December 31, 2021 and 2020, MHS' financial resources are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 308,732	946,223
Accounts receivable	460,569	374,372
Other current assets, net	96,361	85,144
Donor restricted assets	96,775	88,900
Investments	<u>2,610,531</u>	<u>1,970,458</u>
	3,572,968	3,465,097
Less prepaid assets included in other current assets, net	(37,444)	(37,612)
Less donor restricted assets	(96,775)	(88,900)
Less investments with redemption limitations of greater than one year	<u>(11,802)</u>	<u>(10,633)</u>
Total financial assets available for general expenditures	\$ <u>3,426,947</u>	<u>3,327,952</u>

In addition to financial assets available to meet general expenditures over the next twelve months, MHS operates mostly using revenues, gains and other support without donor restrictions and anticipates collecting sufficient revenues to cover general expenditures.

**(8) Property, Plant, and Equipment, Net**

A summary of property, plant, and equipment at December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Land and land improvements	\$ 138,910	131,993
Buildings	2,313,543	2,202,449
Equipment	<u>940,116</u>	<u>1,115,316</u>
	3,392,569	3,449,758
Less accumulated depreciation	<u>(1,500,929)</u>	<u>(1,751,452)</u>
	1,891,640	1,698,306
Construction in progress	<u>118,494</u>	<u>65,360</u>
Property, plant, and equipment, net	\$ <u>2,010,134</u>	<u>1,763,666</u>

Total depreciation and amortization expense for the years ended December 31, 2021 and 2020 was \$126,307 and \$168,188, respectively. Depreciation expense charged to operations for the years ended December 31, 2021 and 2020 amounted to \$122,293 and \$166,517, respectively. Depreciation expense

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charged to operations for the year ended December 31, 2021 is net of a \$48,094 reduction in expense as part of the change in estimated useful lives.

#### (9) Other Assets, Net

Other assets are as follows at December 31, 2021 and 2020:

	2021	2020
Investment in joint ventures	\$ 77,951	64,534
Deferred compensation plan assets held in trust (note 12)	98,789	85,320
Accrued pension asset (note 12)	60,951	45,590
Self-insured retention receivables, net of current portion (notes 13 and 14)	22,558	23,435
Goodwill and other intangibles	172,063	167,083
Net investment in lease (note 17(b))	23,172	23,200
Notes receivable (note 10)	75,546	75,413
Other	23,595	17,884
Other assets, net	\$ 554,625	502,459

Deferred compensation plan assets held in trust are participant-managed investments consisting of equity and fixed income mutual funds with prices quoted in active markets.

#### (10) Notes receivable

In December 2020, MHS funded \$75,000 into an escrow account as part of a loan based on a credit agreement executed with Astria Health. In January 2021, the final promissory note documents were executed and funds were disbursed at that time to Astria Health. The loan bears a fixed interest rate of 9.5% with payments due June 30 and December 31 of each year. The loan matures in January 2024.

#### (11) Other Liabilities, Net

Other liabilities are as follows at December 31, 2021 and 2020:

	2021	2020
Professional liability, net of current portion (note 13)	\$ 89,628	73,822
Deferred compensation liability (note 12)	98,789	85,320
Workers' compensation liability, net of current portion (note 14)	15,454	14,166
Deferred FICA liability (note 2)	—	35,933
Other	4,436	3,805
Other liabilities, net	\$ 208,307	213,046

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**(12) Retirement Plans**

**(a) Defined Benefit Pension Plan**

MHS operates one qualified defined benefit pension plan (the Plan) covering eligible employees. The Plan was closed to new employees effective after July 31, 2002. The benefits are based on years of service and the employee's highest five consecutive years of compensation. MHS contributions to the Plan vary from year to year, but the minimum contribution required by law has been provided in each year. Effective December 31, 2016, participants no longer accrue pension benefits under the Plan.

The following tables set forth the changes in projected benefit obligations, changes in fair value of plan assets, and components of net periodic benefit costs for the Plan, which has measurement dates of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Change in projected benefit obligation:		
Projected benefit obligations at beginning of year	\$ 715,286	639,993
Service cost	650	670
Interest cost	18,786	22,963
Actuarial (gain) loss	(23,106)	85,184
Expected administrative expenses	(650)	(670)
Benefits paid	<u>(47,927)</u>	<u>(32,854)</u>
Projected benefit obligations at end of year	\$ <u>663,039</u>	<u>715,286</u>
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year	\$ 760,876	685,413
Actual gain on plan assets	11,700	108,966
Actual administrative expenses	(659)	(649)
Benefits paid	<u>(47,927)</u>	<u>(32,854)</u>
Fair value of plan assets at end of year	\$ <u>723,990</u>	<u>760,876</u>
Funded status recognized in consolidated balance sheets consist of:		
Asset for pension benefits	\$ 60,951	45,590
Amount recognized in net assets without donor restrictions:		
Net loss	90,859	115,669
	<u>2021</u>	<u>2020</u>
Weighted average assumptions used to determine benefit obligations as of December 31:		
Discount rate	3.00 %	2.70 %
Expected return on plan assets	4.50	4.50

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The expected return on plan assets assumption is based upon an analysis of historical long-term returns for various investment categories as measured by appropriate indices. These indices are weighted based upon the extent to which plan assets are invested in the particular categories in arriving at MHS' determination of a composite expected return. An actuary reviews the assumptions annually for reasonableness.

The components of net periodic benefit cost are as follows during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Components of net periodic benefit cost:		
Service cost	\$ 650	670
Interest cost	18,786	22,963
Expected return on plan assets	(29,726)	(31,730)
Amortization of net actuarial loss	16,205	10,441
Settlement cost	3,534	—
	<u>\$ 9,449</u>	<u>2,344</u>

The accumulated benefit obligation for the Plan was \$663,039 and \$715,286 at December 31, 2021 and 2020, respectively.

(i) *Estimated Future Benefit Payments*

The following benefits payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

	<u>Pension benefits</u>
2022	\$ 40,146
2023	40,579
2024	40,010
2025	40,892
2026	39,854
2027–2031	193,155

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(ii) *Plan Assets*

The following tables set forth by level, within the fair value hierarchy, the Plans' investments at fair value:

	Fair value measurements at reporting date using			
	December 31, 2021	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash and cash equivalents	\$ 11,324	11,324	—	—
Trading securities:				
Mutual funds	124,670	124,670	—	—
Fixed income bond funds	97,505	97,505	—	—
Fixed income governmental obligations	209,474	177,503	31,971	—
Fixed income other	202,017	—	202,017	—
Commingled trust fund – international equity	16,625	—	16,625	—
	661,615	\$ 411,002	250,613	—
Broker receivables	5,983			
Broker payables	(34,584)			
Total assets at fair value	633,014			
Investments valued at NAV	90,976			
Total assets at fair value or NAV	\$ 723,990			

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	<u>Fair value measurements at reporting date using</u>			
	<u>December 31,</u> <u>2020</u>	<u>Quoted prices</u> <u>in active</u> <u>markets for</u> <u>identical</u> <u>assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>other</u> <u>observable</u> <u>inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u> <u>(Level 3)</u>
Assets:				
Cash and cash equivalents	\$ 12,053	12,053	—	—
Trading securities:				
Mutual funds	106,439	106,439	—	—
Fixed income bond funds	105,998	105,998	—	—
Fixed income governmental obligations	312,189	270,336	41,853	—
Fixed income other	211,950	—	211,950	—
Commingled trust fund – international equity	22,485	—	22,485	—
	<u>771,114</u>	<u>\$ 494,826</u>	<u>276,288</u>	<u>—</u>
Broker receivables	40,662			
Broker payables	<u>(164,621)</u>			
Total assets at fair value	647,155			
Investments valued at NAV	<u>113,721</u>			
Total assets at fair value or NAV	<u>\$ 760,876</u>			

There were no significant transfers into or out of Level 1 or Level 2 financial instruments during the years ended December 31, 2021 and 2020.



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The following table presents information for investments where the NAV was used as a practical expedient to measure fair value at December 31, 2021 and 2020:

	<u>NAV December 31, 2021</u>	<u>NAV December 31, 2020</u>	<u>Unfunded commitments</u>	<u>Redemption frequency (if currently eligible)</u>	<u>Redemption notice period</u>
Commingled trust funds:					
Real estate	\$ —	22,426	N/A	Quarterly	45 days
Absolute return funds	84,911	85,603	N/A	Monthly	5 business days prior to valuation date
Limited partnerships	<u>6,065</u>	<u>5,692</u>	<u>850</u>	N/A	N/A
Total investments valued at NAV	<u>\$ 90,976</u>	<u>113,721</u>	<u>850</u>		

Real estate is a real estate commingled trust that invests in U.S. commercial real estate. The fund owns real estate assets in the U.S. office, industrial, residential, and retail sectors.

Absolute return fund investments consist primarily of listed equity, equity-related and debt securities, including exchange-traded funds, other securities and other pooled investment vehicles. These investments use derivatives or other instruments for both investment and hedging purposes and may take long and/or short positions, and the derivative investments may include but are not restricted to futures, options, swaps, and forward currency contracts.

Limited partnerships include investments in private equity and venture capital in both developed and emerging markets with approximately 35% invested in private equity in developed markets, 20% in venture capital in developed markets, and 45% in private equity and venture capital in emerging markets. The fair values of the investments in this category have been estimated using the NAV of MHS' ownership interest in partners' capital. These assets can never be redeemed with the partnerships. Instead, the nature of the investment in this category is that distributions are received through the liquidation of the underlying assets of the partnership.

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The defined benefit plan weighted average asset allocations at December 31, 2021 and 2020 by asset category are as follows:

	<u>2021</u>	<u>2020</u>
Asset category:		
Domestic equities	12 %	10 %
International equities	7	7
Emerging markets	—	1
Fixed income securities	80	78
Alternative investments	1	1
Real estate	—	3
	<u>100 %</u>	<u>100 %</u>

(iii) *Investment Objectives*

The target asset allocations for each asset class are set based on the achieved funding levels for the Plan and are summarized below:

	<u>2021</u>	<u>2020</u>
Asset category:		
Domestic equities	12 %	9 %
International equities	8	8
Emerging markets	—	—
Fixed income securities	80	80
Real estate	—	3
	<u>100 %</u>	<u>100 %</u>

(iv) *Investment Categories*

*Equities*

The strategic role of domestic equities is to provide higher expected market returns (along with international equities) of the major asset classes; maintain a diversified exposure within the U.S. stock market using multimanager portfolio strategies; and achieve returns in excess of passive indices using active investment managers and strategies.

The strategic role of international equities is to provide higher expected market return premiums (along with domestic equities) of the major asset classes and diversify the Plans' overall equity exposure by investing in non-U.S. stocks that are less than fully correlated to domestic equities with similar return expectations; to maintain a diversified exposure within the international stock market through the use of multimanager portfolio strategies; and achieve returns in excess of passive indices through the use of active investment managers and strategies.

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The strategic role of emerging markets is to diversify the portfolio relative to domestic equities and fixed income investments and to specifically include equity investment in selected global markets and may also include currency hedging for defensive purposes.

#### *Fixed Income*

The strategic role of fixed income securities is to diversify the Plan's equity exposure by investing in fixed income securities that exhibit a low correlation to equities and lower volatility; maintain a diversified exposure within the U.S. fixed income market using multimanager portfolio strategies; and achieve returns in excess of passive indices through the use of active investment managers and strategies. It also provides effective diversification against equities and a stable level of cash flow.

#### *Alternative Investments*

The strategic role of alternative investments is for diversification relative to equities and fixed income investments, to add absolute return using hedging strategies, and to achieve expected return premiums over longer holding periods. Alternative investments include investments in equity, equity-related and debt securities, including exchange-traded funds, other securities and other pooled investment vehicles, hedge funds and private equities and are under the supervision and control of investment managers. Hedge funds include investments in a variety of instruments including stocks, bonds, commodities, and a variety of derivative instruments. Private equities consist primarily of equity investments made in companies that are not quoted on a public stock market, which can include U.S. and non-U.S. venture capital, leveraged buyouts, and mezzanine financing.

#### *Real Estate*

The strategic role of real estate is to diversify the Plan's portfolio relative to equities and fixed income investments included a component of real property investment through a commingled fund structure and providing higher returns than benchmark investments of a similar class. Real estate investments may also include publicly and privately traded real estate investment trusts as well as direct investment through properties and mortgages.

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### **(b) Defined Contribution Plans**

MHS currently maintains three defined contribution plans including the MHS 401(a) Retirement Account Plan (RAP), the MHS 403(b) Employee Savings Plan, and the MHS 401(k) Plan. Most employees assigned to work at Deaconess Hospital, Valley Hospital, Rockwood Clinic and Capital Medical Center are eligible for participation in the MHS 401(k) Plan, which is funded by both MHS and employee contributions. The MHS 403(b) Employee Savings Plan is 100% funded by employee contributions, and the RAP is 100% funded by MHS contributions.

MHS' funding for the defined contribution plans is based on certain percentages of the employees' base pay and/or a percentage of their deferred contributions. Employer contributions to the defined-contribution plans for 2021 and 2020 were approximately \$54,545 and \$49,550, respectively, which were included with employee benefits in the accompanying consolidated statements of operations and changes in net assets.

### **(c) Other**

In addition to the defined benefit and defined contribution plans as described above, MHS also maintains several deferred compensation arrangements for the benefit of eligible employees. Substantially all amounts that are deferred under these arrangements are held in trust until such time as these funds become payable to the participating employees.

### **(13) Professional Liability**

MHS maintains a self-insurance program for professional liability with excess coverage over self-insured retention limits provided by commercial insurance carriers. MHS has recorded a liability as of December 31, 2021 and 2020, which comprises estimated deductibles and retentions for known claims at year-end and a liability for incurred but not reported claims based on an actuarially determined estimate.

At December 31, 2021 and 2020, the estimated gross professional liability (including current and long-term portions) was \$119,073 and \$97,997, respectively. The current portion is included in accounts payable and accrued expenses, and the remainder is included in other liabilities, net in the accompanying consolidated balance sheets. MHS has recorded a receivable for amounts to be received from the excess insurance carriers for their portion of the claims (including current and long-term portions) of \$33,191 and \$32,450 as of December 31, 2021 and 2020, respectively. The current amount is included in other current assets, net, and the remainder is included in other assets, net in the accompanying consolidated balance sheets.

### **(14) Workers' Compensation and Employee Health Benefit Programs**

MHS maintains a self-insurance program for workers' compensation with excess coverage over self-insured retention limits provided by commercial insurance carriers. MHS has recorded a liability based on an actuarial estimate of future claims payments. At December 31, 2021 and 2020, the estimated net liability based on future claims cost totaled \$21,133 and \$17,726, respectively. The gross liabilities (including both current and long-term portions) total \$24,341 and \$21,083 as of December 31, 2021 and 2020, respectively. The long-term amounts are included in other liabilities, net, and the current portions are included in accounts payable and accrued expenses in the accompanying consolidated balance sheets. These liabilities are secured by a letter of credit with the State of Washington. MHS has recorded a receivable for amounts to be received from excess insurance carriers of \$3,207 and \$3,357 as of

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December 31, 2021 and 2020, respectively, which is included with other current assets, net and other assets, net for the respective estimated current and long-term portions.

MHS maintains a self-insurance program for employee medical and dental insurance. Employees can elect to be included in the self-insurance plan as a part of their fringe benefit package. Premiums deducted from employees' wages are used in paying a portion of members' medical claims. The estimated liability for claims in 2021 and 2020 was \$9,632 and \$10,129, respectively. These amounts are included in accrued compensation and related liabilities in the accompanying consolidated balance sheets.

#### (15) Long-Term Debt

Long-term debt consists of the following at December 31, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
2020 Taxable bonds	\$ 300,000	300,000
2020 OCED financing	59,289	60,889
2019 Term loan	35,255	35,255
WHCFA Revenue bonds, 2017 Series A and B	318,220	321,705
WHCFA Revenue bonds, 2017 Series C, D, and E	191,010	191,010
2017 Term loans	130,170	130,170
WHCFA Revenue bonds, 2015 Series A and B	348,085	352,315
WHCFA Revenue bonds, 2012 Series A	60,000	60,000
WHCFA Revenue bonds, 2009 Series A and B	98,130	98,130
Other	23,106	22,313
	1,563,265	1,571,787
Adjusted for:		
Current portion	(43,609)	(7,950)
Bond premiums, discounts, and debt issuance costs	52,579	55,012
Long-term debt, net of current portion	\$ 1,572,235	1,618,849

#### (a) 2020 Taxable Bonds

In July 2020, MHS issued \$300,000 of taxable 2020 series bonds. These bonds were issued as fixed rate bonds that bear interest of 2.803%. The principal of \$300,000 is due in 2051, with interest only payments made semiannually in February and August of each year.

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**(b) 2020 OCED Financing**

In June 2020, MHS finalized a sale-leaseback transaction for four off-campus emergency departments (OCED) with total cash proceeds received of \$61,794. Due to the specific terms of the agreement, the lease qualified as a financing type lease. The agreement did not meet the criteria for sale-leaseback accounting treatment and instead is considered a financing liability. The agreement bears an implicit interest rate of 4.64%. Annual principal payments range from \$2,040 in 2022 to \$4,482 in 2039 with a final principal payment of \$390 in 2041.

**(c) 2019 Term Loan**

In August 2019, MHS entered into a fixed rate term loan agreement with JPMorgan Chase Bank, N.A., with an interest rate of 1.89%. The principal balance of \$35,255 is due in 2022.

**(d) Washington Health Care Facility Authority (WHCFA) Revenue Bonds 2017 Series A and B**

In November 2017, MHS issued \$333,970 of 2017 Series A and B bonds. These bonds were issued as fixed rate bonds that bear interest ranging from 3.0% to 5.0%. Annual principal payments range from \$3,670 in 2022 to \$62,410 in 2047.

**(e) WHCFA Revenue Bonds 2017 Series C, D, and E**

In November 2017, MHS entered into a \$111,010 variable rate private placement agreement (Series C and D) with JPMorgan Chase Bank, National Association and an \$80,000 variable rate private placement agreement (Series E) with Wells Fargo Municipal Capital Strategies, LLC. The first annual principal payment of \$80,000 is due in 2043, with a final principal payment of \$55,505 in 2049. The interest rates, which were between 0.5% and 0.6% at December 31, 2021, reset monthly and are based on 70% of the one-month U.S. LIBOR plus a spread.

**(f) 2017 Term Loans**

In November 2017, MHS entered into two \$65,085 variable rate term loan agreements with Wells Fargo Bank, N.A. The principal balance of \$130,170 is due in 2047. The interest rates, which were between 0.8% and 0.9% at December 31, 2021, reset monthly and are based on the one-month U.S. LIBOR plus a spread.

**(g) WHCFA Revenue Bonds 2015 Series A and B**

In April 2015, MHS issued \$373,390 of 2015 Series A and B bonds. Series A and B bonds were issued as fixed rate bonds that bear interest ranging from 2.0% to 5.0%. Annual principal payments range from \$4,410 in 2022 to \$24,085 in 2034 with a final payment of \$8,860 due in 2045.

**(h) WHCFA Revenue Bonds 2012 Series A**

In November 2012, MHS issued \$60,000 of 2012 Series A bonds. 2012 Series A bonds were issued as fixed rate bonds that bear interest ranging from 3.8% to 4.1%. Annual principal payments range from \$5,190 in 2040 to \$22,085 in 2045 with a final payment of \$19,715 due in 2046.

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**(i) WHCFA Revenue Bonds 2009 Series A and B**

In May 2009, MHS issued the 2009 Series A and B bonds as variable rate demand bonds for \$50,000 each. The bonds were backed by an irrevocable letter of credit equal to the aggregate principal and interest of the bonds. In July 2012, the 2009 Series A and B bonds were converted to \$98,130 of fixed rate bonds that bear interest ranging from 4.4% to 5.0%. Annual principal payments range from \$3,690 in 2040 to \$38,890 in 2044.

**(j) Other**

The other debt listed is primarily made up of debt held by Navos. In April 2020, MHS paid \$11,488 of Navos' debt outstanding to third-party creditors. Of the outstanding debt at December 31, 2021, \$16,965 is associated with certain buildings and other capital assets operated by Navos and is subject to provisions whereby the debt will be forgiven upon compliance with those provisions. These provisions state that Navos maintains the assets that were built or purchased with these notes and maintains their usage when the promissory note was signed for the length specified. If these provisions are not met, the note must be repaid based on the terms of the agreement. The forgivable debt is subject to a forgiveness provision in years 2028 through 2068.

**(k) 2020 Line of Credit**

In April 2020, MHS secured a \$200,000 line of credit through JPMorgan Chase Bank, N.A. The term of the line of credit is for 12 months and bears interest at a variable rate based upon the Central Bank Floating Rate. The line of credit had no draws and was not renewed.

Revenue bonds issued by MHS through WHCFA are subject to applicable bond indenture agreements, which require that MHS satisfy certain measures of financial performance as long as the bonds are outstanding. These measures include a minimum debt service coverage ratio and a condition that the bonds are secured by a gross receivables pledge. Based on management's assessment of these requirements, MHS is in compliance with these covenants at December 31, 2021 and 2020.

Each fixed-rate revenue bond requires semiannual interest payments on February 15 and August 15 of each year until maturity. These bonds are subject to early redemption by MHS on or after certain specific dates and at certain specific redemption prices as outlined in each bond agreement.

Principal maturities on long-term debt are as follows:

Year ending December 31:	
2022	\$ 43,609
2023	20,601
2024	21,627
2025	22,704
2026	23,825
Thereafter	<u>1,430,899</u>
	<u>\$ 1,563,265</u>

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A summary of interest costs is as follows during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest cost:		
Charged to operations	\$ 50,103	48,464
Amortization of bond premiums, discounts, and issuance costs	(2,433)	(2,494)
Capitalized	<u>382</u>	<u>478</u>
	\$ <u>48,052</u>	<u>46,448</u>

**(16) Commitments and Contingencies**

Approximately 45% of MHS employees were covered under collective bargaining agreements as of December 31, 2021. These employees provide nursing, nursing support, pharmacy, imaging, lab, inpatient and outpatient therapies, housekeeping, food, laundry, maintenance, and inventory/distribution services to MHS. Collective bargaining agreements have various expiration dates extending through March 2023.

**(17) Leases**

**(a) Lessee**

MHS leases various equipment and facilities under noncancelable operating and finance leases. Lease terms for noncancelable operating leases range from 1 to 18 years, and existing leases have expiration dates through 2036. Lease terms for finance leases range from 1 to 21 years, and existing leases have expiration dates through 2040.

The components of lease cost for the years ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Operating lease cost	\$ 37,283	37,232
Finance lease cost:		
Amortization of right-of-use assets	9,031	1,550
Interest on lease liabilities	<u>3,402</u>	<u>388</u>
Total finance lease cost	12,433	1,938
Short term lease cost	1,578	1,644
Variable lease cost	9,233	7,242
Sublease income	<u>(1,662)</u>	<u>(1,049)</u>
Total lease cost	\$ <u>58,865</u>	<u>47,007</u>



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Other information related to leases as of December 31, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Weighted average remaining lease term (years):		
Operating leases	6.5	6.7
Finance leases	6.6	7.7
Weighted average discount rate:		
Operating leases	4.0 %	4.0 %
Finance leases	4.4	4.4
Operating cash flows from operating leases	\$ (36,688)	(36,707)
Operating cash flows from finance leases	(3,402)	(388)
Financing cash flows from finance leases	(8,645)	(1,366)
Right-of-use assets obtained in exchange for new operating lease liabilities	36,385	19,850
Right-of-use assets obtained in exchange for new finance lease liabilities	11,948	16,739

Maturities of lease liabilities under noncancelable leases as of December 31, 2021 are as follows:

	<u>Operating leases</u>	<u>Finance leases</u>	<u>Total</u>
For year ended December 31:			
2022	\$ 32,130	5,041	37,171
2023	28,972	4,884	33,856
2024	24,000	4,664	28,664
2025	21,696	2,736	24,432
2026	19,343	503	19,846
Thereafter	<u>41,124</u>	<u>6,351</u>	<u>47,475</u>
Total undiscounted lease payments	167,265	24,179	191,444
Less present value discount	<u>(20,616)</u>	<u>(2,963)</u>	<u>(23,579)</u>
Total lease liabilities	\$ <u>146,649</u>	<u>21,216</u>	<u>167,865</u>

**(b) Lessor**

MHS leases a building to the Alliance for South Sound Health, which does business under the name Wellfound Behavioral Health Hospital (Wellfound). Wellfound is a related party owned 50 percent by MHS. The leased building is owned solely by MHS, and is the only asset that MHS leases out as a lessor. The lease has a 20 year initial lease term, with four 5 year extension options. Due to the related party nature of the lease, MHS considers it reasonably certain that Wellfound will exercise its four lease renewal options, and as such, treats the lease as a 40 year lease. There is no purchase option stated

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in the lease contract. MHS has determined that the lease is a sales-type financing lease, since the expected lease term spans a major portion of the useful life of the building. At December 31, 2021, MHS' other assets, net include a net investment in lease of \$23,172.

Revenue from leases for the years ended December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Interest income on net investment in finance leases	\$ 1,048	1,136
Variable lease income	<u>28</u>	<u>28</u>
Total lease income	\$ <u>1,076</u>	<u>1,164</u>

Future lease payments receivable as of December 31, 2021 are as follows:

Year ended December 31:		
2022	\$	1,227
2023		1,227
2024		1,227
2025		1,227
2026		1,227
Thereafter		<u>42,114</u>
Total lease payments to be received		48,249
Less unearned interest income		<u>(25,077)</u>
Net investment in lease	\$	<u>23,172</u>

**(18) Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following specified purposes at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Healthcare services	\$ 57,511	52,151
Endowment funds, perpetual trusts and related receivables	76,079	71,651
Purchase of property, plant and equipment	39,721	16,234
Indigent care	2,167	1,533
Health education	<u>1,264</u>	<u>1,192</u>
Total net assets with donor restrictions	\$ <u>176,742</u>	<u>142,761</u>

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**(19) Endowment Funds**

MHS' endowments consist of over 100 individual funds established for a variety of purposes. They include both endowment funds with donor restrictions and funds designated without donor restrictions by the board of directors of its foundations to function as endowments (board-designated endowments). Net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions and nature of restrictions, if any.

The following tables present MHS' endowment net asset composition as well as associated changes therein:

	<b>Board designated without donor restrictions</b>	<b>Funds with donor restrictions</b>	<b>Total</b>
Endowment net assets, December 31, 2020	\$ 2,825	42,424	45,249
Investment return:			
Investment income	18	527	545
Net appreciation – realized and unrealized	65	1,289	1,354
Total investment return	83	1,816	1,899
Contributions	—	2,271	2,271
Appropriation of endowment assets for expenditure	(47)	(2,499)	(2,546)
Endowment net assets, December 31, 2021	\$ <u>2,861</u>	<u>44,012</u>	<u>46,873</u>

	<b>Board designated without donor restrictions</b>	<b>Funds with donor restrictions</b>	<b>Total</b>
Endowment net assets, December 31, 2019	\$ 2,673	39,700	42,373
Investment return:			
Investment income	39	493	532
Net appreciation – realized and unrealized	153	1,989	2,142
Total investment return	192	2,482	2,674
Contributions	—	443	443
Appropriation of endowment assets for expenditure	(40)	(201)	(241)
Endowment net assets, December 31, 2020	\$ <u>2,825</u>	<u>42,424</u>	<u>45,249</u>

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Perpetual trusts that are held and managed by third party trustees are recorded as net assets with donor restrictions on the consolidated balance sheets; however, they are not included as endowment net assets with donor restrictions in the above presentation. Those perpetual trusts totaled \$31,008 and \$28,290, respectively, as of December 31, 2021 and 2020. Also excluded from the presentation of endowment net assets with donor restrictions above are pledge receivables and other totaling \$1,059 and \$937, respectively, as of December 31, 2021 and 2020.

#### **(a) Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level of the original gifts and the amounts of subsequent donations accumulated at the funds. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets with donor restrictions. There were no funds with deficiencies in 2021 or 2020.

#### **(b) Investment Policy – Including Return Objectives and Strategies to Achieve Objectives**

The endowment assets are invested in an investment portfolio, which include those assets of donor restricted funds that MHS must hold in perpetuity as well as all other foundation-related investment assets. MHS has adopted an investment policy for the foundation investments that intends to provide income to support the spending policy while seeking to maintain the purchasing power of the endowment assets. To satisfy its long-term rate of return objectives, MHS relies on a total return strategy in which investment returns are achieved through both capital appreciation and interest and dividend income. MHS uses a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. There are some donor restricted funds that are held separately from MHS' pooled investments. These endowments are invested by donors in manners to provide funding for specific purposes as determined by donors.

#### **(c) Spending Policy**

In order to provide a stable and consistent level of funding for programs and services supported by the endowments, the foundations have determined that an annual spending rate of 5% of the endowment's average account value is prudent. In establishing the spending policies, the MHS foundations considered among other things, the expected total return on its endowments, effect of inflation, duration of the endowments to achieve its objective of maintaining the purchasing power of the endowment assets held in perpetuity, as well as to provide additional growth through new gifts and investment returns.

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#### (20) Functional Expenses

MHS provides inpatient and outpatient services, physician services, home health services, and fund-raising activities. Certain categories of expenses are attributable to programs and support services. These included salaries and wages, depreciation and amortization and other expenses. Costs are allocated based on cost allocation methods depending on the allocable expense, including square footage, time utilization and percentage of gross charges. Expenses related to providing these services are as follows for the years ended December 31, 2021 and 2020:

	2021				
	Program services			Support services	Total
	Hospitals and related services	Clinics and urgent care centers	Retail and other services	Corporate and support services	
Salaries and wages	\$ 1,130,560	432,037	65,231	242,817	1,870,645
Employee benefits	128,295	72,692	15,595	61,603	278,185
Supplies	482,058	43,267	66,679	8,753	600,757
Purchased services	132,808	44,695	25,750	145,906	349,159
Depreciation and amortization	70,583	18,057	3,626	34,041	126,307
Interest	40,788	3,936	—	2,946	47,670
Other	293,968	57,179	20,779	114,079	486,005
	<u>\$ 2,279,060</u>	<u>671,863</u>	<u>197,660</u>	<u>610,145</u>	<u>3,758,728</u>
	2020				
	Program services			Support services	Total
	Hospitals and related services	Clinics and urgent care centers	Retail and other services	Corporate and support services	
Salaries and wages	\$ 969,456	392,470	51,225	202,870	1,616,021
Employee benefits	119,926	66,759	11,931	49,516	248,132
Supplies	416,964	34,712	54,952	13,750	520,378
Purchased services	98,027	25,874	18,409	155,946	298,256
Depreciation and amortization	110,868	17,914	1,921	37,485	168,188
Interest	41,004	3,936	—	1,030	45,970
Other	226,092	49,321	25,724	68,604	369,741
	<u>\$ 1,982,337</u>	<u>590,986</u>	<u>164,162</u>	<u>529,201</u>	<u>3,266,686</u>

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### **(21) Litigation and Regulatory Environment**

The healthcare industry is subject to numerous laws and regulations from federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government healthcare program participating requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government agencies are actively conducting investigations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in the imposition of significant fines and penalties, significant repayments for patient services previously billed, and/or expulsion from government healthcare programs. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

MHS is also involved in litigation arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect to MHS' financial position.

### **(22) Subsequent Events**

MHS has evaluated the subsequent events through March 23, 2022, the date at which the consolidated financial statements were issued and has included all necessary adjustments and disclosures.